

EXHIBIT 2

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Adv. Pro. No. 08-01789(SMB)

SIPA Liquidation
(Substantially consolidated)

SECURITIES INVESTOR PROTECTION
CORPORATION,

PLAINTIFF,

-vs-

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,
DEFENDANT.

IN RE:
BERNARD L. MADOFF,

DEBTOR.

CONFIDENTIAL

REALTIME DEPOSITION OF
ANNETTE BONGIORNO

Pages 1 through 270

Friday, July 8, 2016
8:34 a.m. to 3:15 p.m.

Federal Correctional Institution Coleman Medium
846 NE 54th Terrace
Sumterville, Florida 33521

Stenographically Reported By:
Elizabeth A. Speer, CRR, RMR, FPR,
Realtime Systems Administrator

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<p>1 APPEARANCES:</p> <p>2 On behalf of Irving H. Picard, Trustee for the</p> <p>3 Substantively Consolidated SIPA Liquidation of</p> <p>4 BLMIS and the Estate of Bernie L. Madoff:</p> <p>5 BakerHostetler</p> <p>6 45 Rockefeller Plaza</p> <p>7 New York, New York 10111-0100</p> <p>8 (212) 589-4230</p> <p>9 BY: SEANNA R. BROWN, ESQUIRE</p> <p>10 AMY VANDERWAL, ESQUIRE</p> <p>11 sbrown@bakerlaw.com</p> <p>12 avanderwal@bakerlaw.com</p> <p>13</p> <p>14 On behalf of Aaron Blecker and other Madoff customers:</p> <p>15 Chaitman, LLP</p> <p>16 465 Park Avenue</p> <p>17 New York, New York 10022</p> <p>18 (888) 759-1114</p> <p>19 BY: HELEN DAVIS CHAITMAN, ESQUIRE</p> <p>20 GREGORY M. DEXTER, ESQUIRE</p> <p>21 hchaitman@chaitmanllp.com</p> <p>22 gdexter@chaitmanllp.com</p> <p>23</p> <p>24 On behalf of Annette Bongiorno:</p> <p>25 Sercarz & Riopelle, LLP</p> <p>810 Seventh Avenue, Suite 620</p> <p>New York, New York 10019</p> <p>(212) 586-4900</p> <p>BY: ROLAND G. RIOPELLE, ESQUIRE</p> <p>mriopelle@sercarzandriopelle.com</p>	<p>1 EXHIBITS CONTINUED:</p> <p>2 Trustee Exhibit No. 72</p> <p>3 7/31/91 Blecker account 100215-10 109</p> <p>4 ledger sheet MF00483413</p> <p>5 Bongiorno Exhibit No. 1</p> <p>6 Amended consent preliminary order of</p> <p>7 forfeiture as to specific property/money</p> <p>8 judgment 182</p> <p>9</p> <p>10 PREVIOUSLY MARKED EXHIBITS:</p> <p>11 Exhibit No. 23 63</p> <p>12 Exhibit No. 27 71</p> <p>13 Exhibit No. 28 71</p> <p>14 Exhibit No. 29 71</p> <p>15 Exhibit No. 36 86</p> <p>16 Exhibit No. 37 116</p> <p>17 Exhibit No. 38 117</p> <p>18 Exhibit No. 39 111</p> <p>19 Exhibit No. 40 115</p> <p>20 Exhibit No. 41 90</p> <p>21 Exhibit No. 42 104</p> <p>22 Exhibit No. 44 118</p> <p>23 Exhibit No. 45 120</p> <p>24 Exhibit No. 46 121</p> <p>25 Exhibit No. 49 128</p> <p>Exhibit No. 61 43</p> <p>Exhibit No. 62 46</p>
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<p>1 INDEX</p> <p>2</p> <p>3 TESTIMONY OF: ANNETTE BONGIORNO</p> <p>4 Direct Examination by Ms. Brown 5</p> <p>5 Cross Examination by Ms. Chaitman 145</p> <p>6 Redirect Examination by Ms. Brown 263</p> <p>7</p> <p>8 CERTIFICATE OF OATH 267</p> <p>9 CERTIFICATE OF REPORTER 268</p> <p>10 READ & SIGN LETTER 269</p> <p>11 ERRATA SHEET 270</p> <p>12 * * * * *</p> <p>13 EXHIBITS</p> <p>14 Trustee Exhibit No. 67</p> <p>15 Order authorizing the deposition of federal</p> <p>16 prisoner Annette Bongiorno with certain</p> <p>17 limitations 6</p> <p>18 Trustee Exhibit No. 68</p> <p>19 Order authorizing second deposition of</p> <p>20 federal prisoner Annette Bongiorno 6</p> <p>21 Trustee Exhibit No. 69</p> <p>22 2/28/87 Blecker account 100254-10</p> <p>23 ledger sheet MF00057516 97</p> <p>24 Trustee Exhibit No. 70</p> <p>25 Composite of Blecker account 100254-10</p> <p>December 1986, '87, '88, '89, '90, '91</p> <p>statements MF00067077, MF00063864,</p> <p>MF000529912, MF00052809, MF00024487,</p> <p>MF00472955 101</p> <p>Trustee Exhibit No. 71</p> <p>9/30/84 Blecker account 100215-10</p> <p>ledger sheet MF00151754 107</p>	<p>1 Whereupon, the following proceeding began at</p> <p>2 8:34 a.m.:</p> <p>3 THE REPORTER: Okay, ma'am. If you'd</p> <p>4 raise your right hand.</p> <p>5 Do you solemnly swear that the testimony</p> <p>6 you are about to give in this matter shall be</p> <p>7 the truth, the whole truth, and nothing but</p> <p>8 the truth, so help you God?</p> <p>9 THE WITNESS: I do.</p> <p>10 Whereupon:</p> <p>11 ANNETTE BONGIORNO</p> <p>12 having been first duly sworn to tell the truth, the whole</p> <p>13 truth and nothing but the truth, testified as follows:</p> <p>14 * * * * *</p> <p>15 DIRECT EXAMINATION</p> <p>16 BY MS. BROWN:</p> <p>17 Q. Good morning, Miss Bongiorno.</p> <p>18 A. Good morning.</p> <p>19 Q. My name is Seanna Brown, and with me is my</p> <p>20 colleague, Amy Vanderwal. And we represent Irving</p> <p>21 Picard, the Trustee for the SIPA liquidation of Bernard</p> <p>22 L. Madoff Investment Securities, LLC.</p> <p>23 We're going to be referring to that entity a</p> <p>24 lot during the day. So is it okay if I refer to it as</p> <p>25 BLMIS?</p>

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<p>1 A. Yes.</p> <p>2 Q. Okay. Great.</p> <p>3 Miss Bongiorno, we were at a deposition on</p> <p>4 June 6th, the parties in this room, and now Miss</p> <p>5 Chaitman is joining us. And at that deposition your</p> <p>6 counsel confirmed that he signed what is called the</p> <p>7 litigation protective order. And I just want to</p> <p>8 reiterate that that order applies to the deposition</p> <p>9 here today, and your counsel has signed on your behalf.</p> <p>10 A. Okay.</p> <p>11 MR. RIOPELLE: You remember we looked at</p> <p>12 that again yesterday?</p> <p>13 THE WITNESS: Yes.</p> <p>14 (Marked for identification</p> <p>15 as Trustee Exhibit No. 67 and 68.)</p> <p>16 BY MS. BROWN:</p> <p>17 Q. Great.</p> <p>18 And there are two additional protective</p> <p>19 orders that govern this specific deposition with you.</p> <p>20 They've been marked as Trustee Exhibit 67 and 68. I'm</p> <p>21 going to place those before you. And I can just walk</p> <p>22 through what those are.</p> <p>23 Trustee Exhibit 67, which is the top one, is</p> <p>24 the order that the Bankruptcy Court issued that gives</p> <p>25 us permission to take your deposition.</p>	<p>1 MS. CHAITMAN: If I may just for the</p> <p>2 record state that in the colloquy off the</p> <p>3 record counsel for the Trustee acknowledged</p> <p>4 that the court order provides for sealing of</p> <p>5 the transcript. But if no one files an</p> <p>6 objection, or a motion, to the transcript,</p> <p>7 then 60 days after the deposition is taken,</p> <p>8 the seal is released.</p> <p>9 MS. BROWN: That's correct.</p> <p>10 MS. CHAITMAN: Okay.</p> <p>11 MS. BROWN: And that refers to paragraph</p> <p>12 9 of the order that bears the docket number</p> <p>13 13240.</p> <p>14 THE WITNESS: I'm sorry. I have a</p> <p>15 cough.</p> <p>16 BY MS. BROWN:</p> <p>17 Q. So, Miss Bongiorno, have you had your</p> <p>18 deposition taken before?</p> <p>19 A. No.</p> <p>20 Q. So maybe it will be helpful if we just go</p> <p>21 over some preliminaries just on how the day is going to</p> <p>22 work. I'm going to be asking you questions. The court</p> <p>23 reporter is going to be taking those questions down.</p> <p>24 It's important that you give me verbal answers. The</p> <p>25 court reporter can't transcribe a head shake.</p>
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<p>1 And in that order the Court has authorized</p> <p>2 your deposition solely on the profit withdrawal issue</p> <p>3 and any issues related to profit withdrawals. And I</p> <p>4 know we haven't discussed profit withdrawals yet today,</p> <p>5 but I have to give you that instruction at the outset.</p> <p>6 Your testimony is not allowed to go beyond any issues</p> <p>7 that relate to profit withdrawals. So it's a very</p> <p>8 narrow deposition today.</p> <p>9 Do you understand?</p> <p>10 A. Yes.</p> <p>11 Q. And none of the counsel here today, myself,</p> <p>12 Miss Chaitman or your attorney, are allowed to go</p> <p>13 outside of that limited scope of profit withdrawals.</p> <p>14 And do you understand those limitations,</p> <p>15 Miss Bongiorno?</p> <p>16 A. Yes.</p> <p>17 Q. There was a second order entered by Judge</p> <p>18 Bernstein, which has been marked as Trustee Exhibit 68.</p> <p>19 And that order provides your deposition to go forward</p> <p>20 on or around today's date. And that order also</p> <p>21 provides that the same limitations we just discussed</p> <p>22 applies to today's deposition.</p> <p>23 Do you understand that?</p> <p>24 A. Yes.</p> <p>25 Q. Okay. Great.</p>	<p>1 A. Okay.</p> <p>2 Q. It's also very important that you let me</p> <p>3 finish my questions before you answer. And I'll let</p> <p>4 you finish your answers so that the transcript is clear</p> <p>5 as to our questions and answers.</p> <p>6 A. Okay.</p> <p>7 Q. You can take a break whenever you need to, as</p> <p>8 long as there's not a question pending.</p> <p>9 A. Okay.</p> <p>10 Q. Before we begin, are you taking any</p> <p>11 medications today that would affect your ability to</p> <p>12 testify truthfully?</p> <p>13 A. No.</p> <p>14 Q. And do you understand that in this deposition</p> <p>15 you're under oath the same that you would be at trial?</p> <p>16 A. Yes.</p> <p>17 Q. Will you answer truthfully today?</p> <p>18 A. Yes.</p> <p>19 Q. Will you answer accurately today?</p> <p>20 A. Yes.</p> <p>21 Q. Miss Bongiorno, you testified that you</p> <p>22 haven't been deposed before; is that correct?</p> <p>23 A. Yes.</p> <p>24 Q. And have you given testimony in court?</p> <p>25 A. Yes.</p>

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<p>1 Q. And when was -- when did you provide 2 testimony? 3 A. Dates? 4 Q. Just the approximate year. 5 A. 2014. Was it '14? I'm not sure. I think it 6 was 2014. 7 Q. Okay. And that was in the criminal case that 8 was brought against you? 9 A. Yes. 10 Q. And other than that one case, have you 11 provided testimony in court? 12 A. In court, no. 13 Q. Miss Bongiorno, did you graduate from high 14 school? 15 A. Yes. 16 Q. What year did you graduate? 17 A. My senior year. Oh, '67 or '68. 18 Q. And following high school, did you do any 19 other type of education? 20 A. No. 21 Q. When did you begin working at BLMIS? 22 A. In '68. 23 Q. So directly following high school? 24 A. No. I'm sorry. I must have graduated a year 25 before that, because I worked for a year elsewhere.</p>	<p>1 Q. And do you know what year it moved to 885 2 third Avenue? 3 A. No. 4 Q. Do you have a decade? 5 A. It was in the -- maybe late '70s, early '80s. 6 Q. And when the office of BLMIS moved to 885 7 Third Avenue, did you work on a particular floor? 8 A. I worked on the main floor at that time, 9 which was the 18th floor. 10 Q. Okay. And how many years did you work on the 11 18th floor? 12 A. I don't remember. I'm really bad with time. 13 I'm sorry. 14 Q. Okay. 15 A. I don't remember. 16 Q. Did you work on the 18th floor throughout 17 your employment at BLMIS? 18 A. No. 19 Q. And what other floors did you work on? 20 A. The 17th floor. 21 Q. And do you know about how many years you 22 worked on the 17th floor? 23 A. No. 24 Q. In 2008, you worked on the 17th floor? 25 A. Yes.</p>
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<p>1 Q. Okay. And where else did you work? 2 A. At the Bank of America. 3 Q. And what was your job at the Bank of America? 4 A. I was like a girl Friday back in those days. 5 I don't know what they call it today. But I, you know, 6 did, like, light secretarial work. 7 Q. Okay. And in 1968 you went to BLMIS? 8 A. Yes. 9 Q. And when you began working at BLMIS, where 10 was the office located? 11 A. We were at 39 Broadway, the first office. 12 Q. And did the office move after that? 13 A. Yes. 14 Q. Where did it move to? 15 A. Wall Street. 110 Wall I believe it was. 16 Q. Do you know what year it moved to 110 Wall 17 Street? 18 A. Do I remember the year? 19 Q. Yes. 20 A. No, I don't. 21 Q. And after 110 Wall Street, did the office of 22 BLMIS move again? 23 A. Yes. 24 Q. And where did it move to? 25 A. 885 Third Avenue.</p>	<p>1 Q. Okay. And probably ten years before that, do 2 you think you worked on the 17th floor? 3 A. Honestly, I don't know. 4 Q. Okay. 5 A. I don't remember the years. 6 Q. When you started working at BLMIS in 1968, 7 what were your job responsibilities? 8 A. Just about everything. I helped answer 9 phones. I did some posting. I helped balance blotters 10 at the end of the day. I did some mailing. I typed 11 some letters. I did just about everything. 12 Q. Okay. And in answering the phones, who were 13 you speaking with on the phone, generally? 14 A. Other brokers, or friends, or family members, 15 and whoever. 16 Q. At the time when you first began at BLMIS, 17 what was the nature of those telephone calls that you 18 had? 19 A. Well, I'd help on the trading desk when the 20 lines were busy. I would just answer the phone and 21 tell them to hold on, because I wasn't trading. If 22 they were calling -- if it was a family member calling 23 for someone, I would just take a message. Mainly, I 24 took his messages, too. If somebody called him, I 25 would take a name, number. Pass it on. It was more</p>

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<p>1 like a receptionist type of thing --</p> <p>2 Q. Okay.</p> <p>3 A. -- in the early days.</p> <p>4 Q. And when you referred to "him," were you</p> <p>5 referring to Bernard Madoff?</p> <p>6 A. Mr. Madoff, yes. I'm already a little</p> <p>7 confused, I'm sorry.</p> <p>8 Q. That's okay.</p> <p>9 A. Because you said all the questions would have</p> <p>10 to do with the code PW.</p> <p>11 Q. Yeah. Uh-huh.</p> <p>12 A. Okay.</p> <p>13 Q. We're going to get to that. I just want to</p> <p>14 talk a little bit about what your duties were so that</p> <p>15 when we talk about profit withdrawals we have a little</p> <p>16 bit more background about your role.</p> <p>17 A. Okay.</p> <p>18 Q. Okay?</p> <p>19 A. Uh-huh.</p> <p>20 Q. So I think what you just described was</p> <p>21 somewhat of a secretarial role when you first began at</p> <p>22 BLMIS; is that correct?</p> <p>23 A. Well, yes.</p> <p>24 Q. Okay.</p> <p>25 A. Definitely like that. But I did everything.</p>	<p>1 hired, then the customers were split down the middle.</p> <p>2 And all the newer customers went to this other person.</p> <p>3 He would take those calls and do what he had to do with</p> <p>4 that.</p> <p>5 Q. Okay. Do you know -- who was the person</p> <p>6 you're referring to?</p> <p>7 A. Frank DiPascali.</p> <p>8 Q. And do you know about when he was hired?</p> <p>9 A. No. That's why I can't answer your question</p> <p>10 directly. I'm not a hundred percent sure when he</p> <p>11 started.</p> <p>12 Q. Okay. So why don't we keep our discussion to</p> <p>13 focusing on what your responsibilities were and what --</p> <p>14 A. Okay.</p> <p>15 Q. -- what you did.</p> <p>16 Did there come a time when you began working</p> <p>17 with customer accounts?</p> <p>18 A. Yes.</p> <p>19 Q. And those customer accounts were in the</p> <p>20 investment advisory business --</p> <p>21 A. Yes.</p> <p>22 Q. -- of BLMIS?</p> <p>23 A. Yes. Sorry.</p> <p>24 Q. That's okay. And do you know about how many</p> <p>25 accounts you worked with, generally?</p>
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<p>1 You know, I helped with whatever they needed help with.</p> <p>2 We were a very small office at the time. So everybody</p> <p>3 pitched in.</p> <p>4 Q. Okay. If I can move forward to -- a little</p> <p>5 bit in time -- to the late '80s and the early '90s.</p> <p>6 A. Uh-huh.</p> <p>7 Q. Do you recall what your job responsibilities</p> <p>8 were around that time?</p> <p>9 A. I believe by then I was just helping out with</p> <p>10 his customers.</p> <p>11 Q. Uh-huh. Was there a particular group of</p> <p>12 customers that you helped out with or --</p> <p>13 A. Any of them. Not one group.</p> <p>14 Q. And what sort of --</p> <p>15 A. Early '80s you said; right?</p> <p>16 Q. I actually said the late '80s and early '90s.</p> <p>17 A. Late '80s, early '90s.</p> <p>18 Oh, the years. Because every decade was a</p> <p>19 different story. Every five years things changed</p> <p>20 there.</p> <p>21 Q. Uh-huh.</p> <p>22 A. I guess so. I guess it was all the customers</p> <p>23 at that point. I don't think we were separated yet.</p> <p>24 Q. Okay. What do you mean by that?</p> <p>25 A. Well, because when there was somebody else</p>	<p>1 A. When? I mean, it started with just a few</p> <p>2 accounts and it just grew over the years.</p> <p>3 Q. Do you know the first -- around the time when</p> <p>4 you first began working with customer accounts?</p> <p>5 A. So that would be the early '70s, mid-'70s</p> <p>6 probably. Maybe he had 40 accounts, maybe he had 50.</p> <p>7 You know, I'm just guessing.</p> <p>8 Q. Okay. So from the early '70s until 2008, did</p> <p>9 you work with customer accounts?</p> <p>10 A. Yes.</p> <p>11 Q. And when you worked with customer accounts,</p> <p>12 can you describe what your specific duties were with</p> <p>13 respect to customer accounts?</p> <p>14 MS. CHAITMAN: May I just ask if it</p> <p>15 changed over that period of time that you --</p> <p>16 maybe you could break it down a little bit</p> <p>17 because you're covering a 20-year period, a</p> <p>18 40-year period.</p> <p>19 MS. BROWN: I'm trying, but she doesn't</p> <p>20 necessarily remember what happened when. So</p> <p>21 I'm trying to start with what the duties</p> <p>22 were.</p> <p>23 MR. RIOPELLE: Go ahead and give your</p> <p>24 best answer.</p> <p>25</p>

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<p>1 BY MS. BROWN: 2 Q. Continue. 3 A. Okay. Well, in the beginning, I don't 4 remember when the beginning was, maybe it was the early 5 '70s. I was just typing confirmations and doing P&L -- 6 P&S, that sort of thing, typing statements at the end 7 of the month. As time went on and he got busier, he 8 picked up more customers. Then I had hired people to 9 help me do that. So -- 10 Q. And what is P&S? 11 A. Oh, that's when you times the shares by the 12 price. And we used to have to do all of this manually 13 and put it on the ticket. 14 Q. Okay. 15 A. And then whoever was typing it -- and I typed 16 them, too, in the early days. I would type it in. A 17 hundred shares at 10 equals -- and I put the date, the 18 total on, and the tax on and the commissions, whatever, 19 would be typed on the ticket. 20 Q. And when did -- do you know when that process 21 that you just described became automated? 22 A. Well, that didn't become automated until we 23 moved to 110 Wall Street. So sometime after that, 24 whenever that was. I should have checked all these 25 dates, I guess.</p>	<p>1 there before me, but she became part of my help force, 2 Angela Celentano. A couple of people that came and 3 went real quickly, I don't remember their names. 4 Angela was around before me and she was around a long 5 time with me -- 6 Q. Okay. 7 A. -- until she retired. Jodi wasn't hired 8 until Wall Street. 9 Q. Jodi? 10 A. I think most of them were hired on Wall 11 Street. 12 THE REPORTER: Angela's last name? 13 MR. RIOPELLE: Celentano, 14 C-E-L-E-N-T-A-N-O. 15 A. Joann Sala is another one. 16 BY MS. BROWN: 17 Q. Was Joann hired at Wall Street or at 885? 18 A. I think she was hired at Wall Street and came 19 over with me, but I can't swear to that. I'm guessing. 20 Q. But Jodi Crupi and Joann Sala worked with you 21 with regard to customer accounts. 22 A. Yes. 23 Q. So sticking with the time period where you 24 were doing things in a more manual fashion -- 25 A. Uh-huh.</p>
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<p>1 Q. That's okay. When you moved to 885 Third 2 Avenue, was the process that you just described with 3 the confirmations and the statements, was it automated 4 by that time? 5 A. Oh, yes. It was automated on Wall Street. 6 Q. So at 110 Wall Street and at 885 Third 7 Avenue -- 8 A. Yes. 9 Q. -- the processes you just described with the 10 statements and the confirmations was automated. 11 A. True. But they did grow. And they did 12 change as time went by and the customer list grew. 13 Q. Okay. 14 A. You know, more -- more programs were put into 15 the computers. So more things were automated. 16 Q. Okay. And we can discuss the computer 17 systems in a little bit. 18 A. Okay. 19 Q. But just sticking with what your -- how your 20 duties changed over time. So in the beginning when you 21 were doing things manually, you also testified that you 22 hired some people to help you. 23 A. Right. 24 Q. And do you know who those people were? 25 A. Yes. I had -- well, she might have been</p>	<p>1 Q. -- you testified that you typed 2 confirmations, you did P&S -- 3 A. Uh-huh. 4 Q. -- and you typed statements. 5 A. Right. 6 Q. Is that correct? 7 A. Yes. 8 Q. Did you do anything else during that manual 9 time period? 10 A. During the manual time period. I was still 11 helping with phones, answering phones, and taking 12 messages and a few letters here and there. 13 Q. Okay. And then let's move forward to the 14 time period at 110 Wall Street or 885 Third Avenue, 15 when the processes that you've described became more 16 automated. Can you describe what your duties with 17 respect to customer accounts were during that time 18 period? 19 A. Yes. I was given lists of stocks that I was 20 told to separate and give out to the different 21 accounts. 22 Q. Uh-huh. 23 A. So I did that. I wrote up the tickets that 24 went into the computers to do all the things that we 25 did manually at one time, like, you know, printing them</p>

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<p>1 and doing the P&S on them and keeping track of them, 2 doing sort of like blotters. There were labels. There 3 were so many, so many forms. I mean, I can't remember 4 all the forms. 5 Q. You testified that you were given a list of 6 stocks. Who gave you that list; do you recall? 7 A. Mr. Madoff, Mr. Kugel. Sometimes I got lists 8 from Frank. 9 Q. DiPascali? 10 A. DiPascali, uh-huh. 11 Q. Okay. I think most of the things that you 12 just described were your duties that were internal to 13 BLMIS. Did you also, during the time period that 14 things were automated, did you speak on the phone with 15 customers? 16 A. Yes. 17 Q. Did you communicate with customers by letter? 18 A. Very, very rarely. If they needed a letter 19 of any kind, we would do it, but very rarely. 20 Q. Did customers write letters to you? 21 A. Yes. 22 Q. And how often would you say, during the time 23 period when you were at 110 Wall Street or at 885 Third 24 Avenue, how often did you speak to customers on the 25 phone?</p>	<p>1 year or so. And then she became an assistant to Frank. 2 So she worked under him at that point and not me. 3 Q. I'm going to provide you with some names and 4 I'd like you to tell me whether or not you also 5 supervised those individuals. 6 A. Sure. 7 Q. Winifer Jackson? 8 A. Yes. 9 Q. Did you supervise Winifer? 10 A. Hired and supervised her, yes. 11 Q. And Alethea Mui? 12 A. Yes. 13 Q. Did supervise Alethea Mui? 14 A. Yes, I did. 15 Q. And you supervised Joann Sala? 16 A. Yes. 17 Q. Did you supervise Dorothy Kahn? 18 A. Yes. 19 Q. And along with Miss Kahn, Miss Mui, 20 Miss Sala, are there any other people that stand out to 21 you that worked with you during that time period? 22 MS. CHAITMAN: What time period are we 23 talking about? 24 MS. BROWN: The time period that those 25 individuals worked with Ms. Bongiorno.</p>
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<p>1 A. How often? All the time. 2 Q. Daily? 3 A. Yeah. 4 Q. And what was the general nature of those 5 conversations? 6 A. They might have called to say did you receive 7 my check? Or are my trades in the mail? Did the 8 statements go out? A lot of times they just wanted to 9 speak to Bernie and they'd ask me to have him call. 10 You know, they varied. 11 Q. Would they call you about inquiries related 12 to their accounts? 13 A. Yes. 14 Q. And would you respond to those inquiries? 15 A. Yes. Sometimes they called to ask about the 16 weather in New York. I mean, they called for all 17 different reasons. 18 MR. RIOPELLE: You're a nice lady. 19 THE WITNESS: Thank you. 20 BY MS. BROWN: 21 Q. So you testified as well that Jodi Crupi and 22 Joann Sala assisted you with regard to the customer 23 accounts. Did you supervise those two individuals? 24 A. I supervised Joann. I hired Jodi and I 25 supervised her in the beginning, but for just about a</p>	<p>1 A. Well, Joann was first and then Jodi. Angela 2 had just left. Oh, my goodness. Names. 3 MR. RIOPELLE: Semone Anderson. 4 THE WITNESS: Semone Anderson. We said 5 Wini; right? Winifer Jackson? 6 MR. RIOPELLE: You said Wini. 7 THE WITNESS: Asha Raganot, Francine 8 Barbato. Cedric -- Cedric -- Cedric Brown? 9 MR. RIOPELLE: Yeah. 10 THE WITNESS: Cedric Brown. What's the 11 girl that went to Naples? I can't think of 12 names. 13 MR. RIOPELLE: It started with an A, I 14 think. 15 MS. CHAITMAN: If I can make a 16 suggestion. Roland, I appreciate, but this 17 is a deposition -- 18 MR. RIOPELLE: Sure. 19 MS. CHAITMAN: -- and you're not being 20 deposed. 21 MR. RIOPELLE: Just trying to help -- 22 THE WITNESS: Oh, I'm sorry. I'm sorry. 23 MS. CHAITMAN: No. I know. But it's 24 not a collective process. 25 MR. RIOPELLE: Fair enough.</p>

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<p>1 BY MS. BROWN:</p> <p>2 Q. Let me focus my question.</p> <p>3 A. Sure.</p> <p>4 Q. So along with Miss Sala, Miss Jackson,</p> <p>5 Miss Kahn and Miss Mui, can you describe what those</p> <p>6 people I just named, what you supervised them doing?</p> <p>7 What were their duties at BLMIS?</p> <p>8 A. They were different. Alethea was a keypunch</p> <p>9 operator. Dorothy Kahn was a keypunch operator. Joann</p> <p>10 Sala and Francine Barbato, they were bookkeepers. Wini</p> <p>11 was a bookkeeper. Semone was a bookkeeper. Darlene</p> <p>12 Concepcion, she was my -- she was like my girl Friday.</p> <p>13 She did whatever I needed help with. She also did some</p> <p>14 mailings. She did some postings. She did typing.</p> <p>15 Q. The keypunch operators, what did they do</p> <p>16 specifically? What were they punching keys into?</p> <p>17 A. The computer. What do you mean? The</p> <p>18 computer, yeah. They punched in whatever tickets we</p> <p>19 wrote up, whatever information we gave them. They kept</p> <p>20 track of the different -- they punched in all the</p> <p>21 checks that were due out, the checks that came in,</p> <p>22 everything, because we were automated at that point.</p> <p>23 Q. Okay. And the computer system that you're</p> <p>24 referring to, does it have a name?</p> <p>25 A. Yeah. I believed it was the AS/400.</p>	<p>1 Q. Okay. And when you say they gave them blocks</p> <p>2 of stocks, was that in the form of a list?</p> <p>3 A. Yes.</p> <p>4 Q. It wasn't physical stocks?</p> <p>5 A. It was on tickets. It was on buy and sell</p> <p>6 tickets. It was not physical stock.</p> <p>7 Q. And the buy and sell tickets were documents</p> <p>8 that were created by BLMIS?</p> <p>9 A. Say that again.</p> <p>10 Q. Sure. The buy and sell tickets were</p> <p>11 documents that were created at BLMIS?</p> <p>12 A. Oh, are you asking if they were like a form?</p> <p>13 Q. Yeah.</p> <p>14 A. You know, I'm not sure. They were always</p> <p>15 there from day one. So I don't know if he created them</p> <p>16 or if they were just a form you could get at -- oops --</p> <p>17 any supply house. I don't know.</p> <p>18 Q. But they're physical pieces of paper.</p> <p>19 A. Yes. Pink and green.</p> <p>20 Q. Ms. Bongiorno, are you familiar with the term</p> <p>21 "profit withdrawal"?</p> <p>22 A. Yes.</p> <p>23 Q. And what does that term mean to you?</p> <p>24 A. It means the client requested to receive any</p> <p>25 profits that they made on any given trade in their</p>
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<p>1 Q. So the keypunch operators typed the</p> <p>2 information into the AS/400; correct?</p> <p>3 A. Yes. Uh-huh.</p> <p>4 Q. And then you also described that Miss Sala,</p> <p>5 Miss Jackson were bookkeepers?</p> <p>6 A. Uh-huh.</p> <p>7 Q. Can you describe what that means?</p> <p>8 A. Well, yeah. Maybe that's an old-fashioned</p> <p>9 title. They were also given blocks of stock and they</p> <p>10 would distribute it among the customers. And the</p> <p>11 computer would break it all down at that point. It was</p> <p>12 all automated. But they kept track of who had what,</p> <p>13 whose money was freed up to go into the next group of</p> <p>14 stocks, that sort of thing.</p> <p>15 Q. Okay. And who would give them the block of</p> <p>16 stocks that they worked with?</p> <p>17 A. Mr. Kugel or Mr. -- well, at that point it</p> <p>18 was just David Kugel doing that.</p> <p>19 Q. Okay. Did anyone else give them blocks of</p> <p>20 stock at some point?</p> <p>21 A. No. I mean, I might have handed it to them</p> <p>22 if he handed it to me. But he's the one that did that</p> <p>23 particular job. He gave it to them and then they put</p> <p>24 it all into the computer, or wrote it up to be put into</p> <p>25 the computer.</p>	<p>1 account.</p> <p>2 Q. And how do you know that's what profit</p> <p>3 withdrawal means?</p> <p>4 A. I was told that.</p> <p>5 Q. Okay. And did you work with profit</p> <p>6 withdrawals while you were employed at BLMIS?</p> <p>7 A. What do you mean by "work with"?</p> <p>8 Q. Are you familiar with the term "profit</p> <p>9 withdrawals" through your employment at BLMIS?</p> <p>10 A. Yes.</p> <p>11 Q. And did the customer accounts that you worked</p> <p>12 with, did they have profit withdrawal transactions in</p> <p>13 their accounts?</p> <p>14 A. Yes.</p> <p>15 Q. Did BLMIS use a code for profit withdrawals?</p> <p>16 A. Yes.</p> <p>17 Q. What was that code?</p> <p>18 A. PW.</p> <p>19 Q. Can you describe a profit withdrawal</p> <p>20 transaction for us?</p> <p>21 A. Okay. Sure. So they have a trade running, a</p> <p>22 buy and a sell. It's completed the trade. There's a</p> <p>23 profit on it. That is what a -- that's what we would</p> <p>24 send them. If that was agreed upon between the</p> <p>25 customer and Mr. Madoff, that's what would go out.</p>

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<p>1 Q. And how would the profit that you just 2 described be sent to the customer? 3 A. I'm sorry. 4 Q. That's okay. How would the profit that you 5 just described, how would that be sent to the customer? 6 A. Oh. Ninety-nine percent of the time by mail. 7 Q. Okay. 8 A. Sometimes he did wires for them. 9 Q. When you say "by mail," what was the format 10 of the funds? 11 A. It was a check. 12 Q. Miss Bongiorno, I'd like to take just a step 13 back to when you were describing profit withdrawals. 14 You testified that if a client requested to receive any 15 profits in their account -- 16 A. Uh-huh. 17 Q. -- then they would receive a profit 18 withdrawal. 19 A. Right. 20 Q. Is that correct? 21 A. That's correct. 22 Q. And how would a client request to receive 23 profit withdrawals? 24 A. When we opened accounts for anybody, that was 25 one of the questions, that was one of the things that</p>	<p>1 election. 2 A. Uh-huh. 3 Q. So the customer would determine -- would the 4 customer determine whether they wanted their profits 5 sent or reinvested? 6 A. I would say yes. They had that choice. In 7 some cases Mr. Madoff decided we're going to do that. 8 Q. Okay. And sticking with the -- sticking with 9 the customers who made that choice, how would they 10 communicate that to BLMIS, that choice? 11 A. Well, I guess they would just discuss it with 12 him. And then I would be given instructions. 13 Q. When you say they would "discuss it with 14 him," you mean discuss it with Mr. Madoff? 15 A. Yes. 16 Q. And they would discuss it with him over the 17 phone? 18 A. Or in person. I think most of the customers 19 came up in the beginning to discuss their account with 20 him. 21 Q. Uh-huh. Did you have any discussions with 22 customers about the decision as to whether they would 23 reinvest or have their profits sent to them? 24 A. Most of the time, no. But sometimes I would 25 confirm with them. I didn't always speak to a customer</p>
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<p>1 was determined before even a trade was done. When 2 they -- how were they going to fund it. Usually with a 3 check, or a wire transfer later on. And did they want 4 their profits on the account reinvested or did they 5 want it sent to them. 6 Q. Okay. 7 A. So if the client said they wanted their 8 profits, that's when we would send out a profit check. 9 Q. And this was done when they opened their 10 account. 11 A. It was agreed upon between the customer and 12 my boss before the account was even opened. Not that 13 it couldn't have changed. I'm sorry, it could have 14 changed. They could have changed their mind two, 15 three years later, but that was how it was agreed upon 16 opening the account. 17 Q. Okay. When you say your boss, you mean 18 Mr. Madoff. 19 A. Mr. Madoff. 20 Q. Okay. And I want to stick right now with 21 just the time period of when the initial decision is 22 made about profits. We can get to any changes that the 23 customer may have made later. 24 A. Okay. 25 Q. But just sticking right now with the initial</p>	<p>1 right away. So -- 2 Q. And you would -- how would you confirm with 3 them? 4 A. Just over the phone. 5 Q. So let's stick with the examples where 6 Mr. Madoff and the -- the decision was made between 7 Mr. Madoff and the customer. 8 A. Uh-huh. 9 Q. What would happen after the customer and 10 Mr. Madoff communicated? What would happen next? 11 A. Well, he would give me the instructions, and 12 I would make note of it on an account page that I had. 13 Once we were automated, it would be on a page that went 14 to the keypunch operators, and it would be punched and 15 put into the computer. 16 Q. Was there -- when an account was opened at 17 BLMIS, was there a default as to whether or not an 18 account was set up as a send account or a reinvest 19 account? 20 A. A default? You know, if he didn't remember, 21 he might have said to me call them up and ask them what 22 they wanted, you know. Is that what you mean? 23 Q. Yes. I mean, was there -- without any 24 particular instruction, was there a way that accounts 25 were set up? Sorry, that's not a very good -- strike</p>

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<p>1 that.</p> <p>2 Did --</p> <p>3 A. So you mean if I didn't know, what would I</p> <p>4 do? How would I write it down?</p> <p>5 Q. Yes.</p> <p>6 A. I probably wouldn't. I would have to ask</p> <p>7 somebody.</p> <p>8 Q. And who you would ask?</p> <p>9 A. I would ask my boss, first of all. And he</p> <p>10 would either remember or he would tell me to call them.</p> <p>11 You know, a lot of this was just all done verbally. I</p> <p>12 don't think there was a form for that in the beginning.</p> <p>13 I don't think there was ever a form for that.</p> <p>14 Q. And a "form for that," what are you referring</p> <p>15 to?</p> <p>16 A. Meaning the customer wouldn't have a form to</p> <p>17 fill out that said send it or not. I don't remember</p> <p>18 there ever being a form like that. It was all, you</p> <p>19 know, just by communication, by -- verbally.</p> <p>20 Q. And all -- the election that you described</p> <p>21 was made when the account was opened.</p> <p>22 A. Yes.</p> <p>23 Q. Okay.</p> <p>24 A. Can I add something?</p> <p>25 Q. Yes.</p>	<p>1 got account numbers, because we didn't always have</p> <p>2 account numbers. And then on top we would write an R</p> <p>3 or an S for, you know, reinvest or send. It was a</p> <p>4 ledger. It looked like a ledger sheet.</p> <p>5 Q. Okay. And did that form change over time?</p> <p>6 A. Yes. Over time it became a typewritten form</p> <p>7 that went into the computer room.</p> <p>8 Q. Uh-huh. And how would you -- on the form</p> <p>9 that was typewritten, how would you indicate whether it</p> <p>10 was a send account or a reinvest account?</p> <p>11 A. We would either circle the S or we would make</p> <p>12 an S if it was a send. And same thing with the R if it</p> <p>13 was a reinvest.</p> <p>14 Q. Okay. And once you wrote down on that sheet</p> <p>15 that it was a send or a reinvest, what would happen?</p> <p>16 A. Well, once it was programmed, it would</p> <p>17 automatically track every trade and give us lists of</p> <p>18 these checks that were going to be going out and</p> <p>19 approximately when they were going to be going out.</p> <p>20 Q. If an account was marked as a send account,</p> <p>21 would it receive its profits automatically?</p> <p>22 A. Yes.</p> <p>23 Q. Would the customer need to write a letter to</p> <p>24 BLMIS in order to receive its profits?</p> <p>25 A. No.</p>
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<p>1 A. There came a certain time where every account</p> <p>2 he wanted the profits to go out on.</p> <p>3 Q. Just when you say "to go out on," you mean to</p> <p>4 be sent?</p> <p>5 A. Yes, yes.</p> <p>6 Q. Okay. And when was that time?</p> <p>7 A. We were at 885 Third Avenue already. No --</p> <p>8 yes, yes. We were at 885 Third Avenue already at that</p> <p>9 point, and every new account was going to be a send.</p> <p>10 Q. Okay.</p> <p>11 A. If that's what you meant by default.</p> <p>12 Q. Yes.</p> <p>13 A. But he would always discuss that with the</p> <p>14 customer, too, first.</p> <p>15 Q. And he would have those discussions over the</p> <p>16 phone?</p> <p>17 A. Yes.</p> <p>18 Q. And you testified that when Mr. Madoff gave</p> <p>19 you instructions you would make a note of it on an</p> <p>20 account page.</p> <p>21 A. Uh-huh.</p> <p>22 Q. What was that form called, if you recall?</p> <p>23 A. We didn't have a name for it in the early</p> <p>24 days. It was just a piece of ledger paper. Their name</p> <p>25 was on top. Their account number was on top -- when we</p>	<p>1 Q. If an account was marked as a reinvest</p> <p>2 account, would those profits be reinvested</p> <p>3 automatically?</p> <p>4 A. Yes.</p> <p>5 Q. And would the customer need to write to BLMIS</p> <p>6 in order to have its profits reinvested?</p> <p>7 A. No. Typically, no. If it was set up as a</p> <p>8 reinvest, it would automatically be done. There were</p> <p>9 times customers wanted their profit checks but then</p> <p>10 wanted to maybe reinvest it. In those cases, we would</p> <p>11 send the check out. They'd have to cash it and send us</p> <p>12 a check back.</p> <p>13 Q. Okay.</p> <p>14 A. We didn't automatically change what was</p> <p>15 written from the beginning.</p> <p>16 Q. All right. So this may be a good time to</p> <p>17 discuss the process for changes.</p> <p>18 A. Okay.</p> <p>19 Q. So up until now we've been discussing the</p> <p>20 initial election to have the account be a send or a</p> <p>21 reinvest account.</p> <p>22 A. Uh-huh.</p> <p>23 Q. So let's say an account is set up as a send</p> <p>24 account and the customer wants to change that. They</p> <p>25 would like to have their profits reinvested. What</p>

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<p style="text-align: right;">Page 38</p> <p>1 would a customer need to do?</p> <p>2 A. Well, usually they'd call me.</p> <p>3 Q. Uh-huh.</p> <p>4 A. I mean, it didn't happen all the time. But</p> <p>5 when it did happen, they'd call me. I would make sure</p> <p>6 they spoke to Mr. Madoff about it. And they would make</p> <p>7 the decision between the two of them.</p> <p>8 And then if they decided verbally to change</p> <p>9 it, once we were on computer they had to send me a</p> <p>10 letter. And when I got the letter in, I would have the</p> <p>11 girls go into the computer and change it from an S to</p> <p>12 an R.</p> <p>13 Q. Okay. And if a -- the opposite scenario</p> <p>14 happens, so a customer had an account that was set up</p> <p>15 as a reinvest and they wanted to change it to a send,</p> <p>16 what would a customer need to do in that instance?</p> <p>17 A. Same exact thing. First get the okay from</p> <p>18 Bernie and then send me a letter.</p> <p>19 Q. But at the time an account was set up, did a</p> <p>20 customer have to write a letter to have its account be</p> <p>21 marked as a send or reinvest?</p> <p>22 A. No.</p> <p>23 Q. Are you familiar with the code CW?</p> <p>24 A. Yes.</p> <p>25 Q. And what is a CW?</p>	<p style="text-align: right;">Page 40</p> <p>1 Q. And those requests for capital withdrawals</p> <p>2 needed to be in writing?</p> <p>3 A. Absolutely. They would call, but I would ask</p> <p>4 them to follow up with a letter.</p> <p>5 Q. I'd like to talk about the BLMIS computer</p> <p>6 system, the AS/400. Is that okay if I refer to it as</p> <p>7 that?</p> <p>8 A. Uh-huh.</p> <p>9 Q. Do you know approximately when BLMIS started</p> <p>10 using the AS/400 for the investment advisory business?</p> <p>11 A. We went on computers originally at -- when we</p> <p>12 were on Broadway. But I don't know what -- I'm not</p> <p>13 sure if we had AS/400 on Broadway.</p> <p>14 Q. When you were at 110 Wall Street did you use</p> <p>15 an AS/400?</p> <p>16 A. Absolutely, yeah. That's when we used it.</p> <p>17 Q. And did BLMIS continue to use the AS/400 at</p> <p>18 885 Third Avenue?</p> <p>19 A. Okay. Wait a minute. Go back. What was the</p> <p>20 question right before that?</p> <p>21 Q. Did BLMIS use the AS/400 at 110 Wall Street?</p> <p>22 A. I'm not sure about Wall Street. I know we</p> <p>23 were on computer on Wall Street, but I don't know which</p> <p>24 one.</p> <p>25 Q. Okay. So at 110 Wall Street the processes</p>
<p style="text-align: right;">Page 39</p> <p>1 A. That's a capital withdrawal.</p> <p>2 Q. And what types of withdrawals was the code CW</p> <p>3 used for?</p> <p>4 A. When they wanted to take part of their</p> <p>5 investment back, part of their capital back.</p> <p>6 Q. Was the -- I'm sorry. Was the CW code used</p> <p>7 for monthly withdrawals?</p> <p>8 A. Let me think about that. Monthly</p> <p>9 withdrawals? I don't remember. I can't answer that.</p> <p>10 Q. How would a customer request a capital</p> <p>11 withdrawal?</p> <p>12 A. By letter.</p> <p>13 Q. Did anyone at BLMIS need to approve a request</p> <p>14 for a capital withdrawal?</p> <p>15 A. I don't know if I would say approved, but</p> <p>16 every capital withdrawal was -- went to Mr. Madoff</p> <p>17 first. I mean, he knew about them before we would cut</p> <p>18 a check.</p> <p>19 Q. Can you describe how profit withdrawals are</p> <p>20 different than capital withdrawals?</p> <p>21 A. Well, profit withdrawals automatically go out</p> <p>22 every time a trade is closed out, every time something</p> <p>23 they bought was sold. So -- but a capital withdrawal</p> <p>24 was at the request of the customer, when they wanted</p> <p>25 it.</p>	<p style="text-align: right;">Page 41</p> <p>1 relating to customer accounts were automated.</p> <p>2 A. Towards the end of our stay there, yes.</p> <p>3 Q. And then at 885 Third Avenue --</p> <p>4 A. Right.</p> <p>5 Q. -- did BLMIS use an AS/400?</p> <p>6 A. Yes.</p> <p>7 Q. What was the AS/400 used for with regard to</p> <p>8 investment advisory accounts?</p> <p>9 A. Oh, everything, every ticket, every</p> <p>10 statement, every check, every blotter, everything.</p> <p>11 Q. What's a blotter?</p> <p>12 A. It's just a page that shows everything</p> <p>13 bought, sold, all the trades. Every bit of information</p> <p>14 that is involved in every single trade.</p> <p>15 Q. And were the blotters used internally?</p> <p>16 A. I don't even know if they -- sorry. I don't</p> <p>17 even know if they use that term anymore. But that's</p> <p>18 the term I learned from the beginning, so I still use</p> <p>19 it.</p> <p>20 Q. Okay. Were the blotters used internally at</p> <p>21 BLMIS?</p> <p>22 A. Yes.</p> <p>23 Q. And did the blotters go to customers?</p> <p>24 A. No.</p> <p>25 Q. What were the documents that were created by</p>

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<p style="text-align: right;">Page 42</p> <p>1 the AS/400 that went to customers?</p> <p>2 A. Confirmations, statements, checks, memos. I</p> <p>3 think that's it.</p> <p>4 Q. And just focusing on the checks for a moment.</p> <p>5 How were the checks at BLMIS generated during the time</p> <p>6 period that you were at 885 Third Avenue?</p> <p>7 A. Third Avenue, okay. That was when we were</p> <p>8 completely on computer, because we started slowly. But</p> <p>9 checks started, I believe, when we were on Third</p> <p>10 Avenue.</p> <p>11 So we would give them a list and they</p> <p>12 would -- with the name of the account, the number, the</p> <p>13 amount of the check, and the code, whether it was a PW</p> <p>14 or a CW. And we would hand that to the girls in the</p> <p>15 computer room. Dorothy Kahn, Alethea Mui, they would</p> <p>16 punch it in.</p> <p>17 When the checks came out they would go into</p> <p>18 the mailroom. They would be sorted and bursted,</p> <p>19 folded, and put in envelopes and sent out from the</p> <p>20 mailroom.</p> <p>21 Q. Who created the list that you just described</p> <p>22 that you gave to the keypunch operators?</p> <p>23 A. We all did. The -- when we were automated</p> <p>24 and the profit withdrawn for the arbitrage accounts</p> <p>25 were automated, the computer would already have that</p>	<p style="text-align: right;">Page 44</p> <p>1 Joann left, Francine Barbato would. Jodi Crupi. Erin</p> <p>2 Reardon. Frank DiPascali. Robert Cardile. See if I</p> <p>3 recognize some of the names.</p> <p>4 MR. RIOPELLE: Annette, you referred to</p> <p>5 somebody as Joann DiPascali. Was that a</p> <p>6 misspeak? Was there a woman named Joann --</p> <p>7 A. No. Frank DiPascali. Joann Sala. Joann</p> <p>8 Sala, Francine Barbato. I think I got them all.</p> <p>9 Q. And let's just go back. So tell me again</p> <p>10 what this document is used for.</p> <p>11 A. It's the check out book.</p> <p>12 Q. Uh-huh.</p> <p>13 A. We list the account names, numbers, and</p> <p>14 amounts of the checks that have to go out.</p> <p>15 Q. And so can you describe for me the process?</p> <p>16 So once you made an entry into this book, what would</p> <p>17 happen next?</p> <p>18 A. On the day of the entry -- there doesn't seem</p> <p>19 to be dates. Oh, yeah, yeah. On the day of the entry</p> <p>20 we would give it to the -- well, actually the night</p> <p>21 before -- we would give it to the computer room. The</p> <p>22 girls would punch them up and either that night or the</p> <p>23 next morning process the checks.</p> <p>24 Q. And would they process the checks using the</p> <p>25 computer system?</p>
<p style="text-align: right;">Page 43</p> <p>1 list.</p> <p>2 But if a customer called and said, you know,</p> <p>3 I need a check for whatever, and followed up with the</p> <p>4 letter, I would put it in a book. And Jodi would do</p> <p>5 that and Frank would do that. Whoever got the phone</p> <p>6 call and whoever was taking care of that transaction</p> <p>7 would list it. And then that would go into the</p> <p>8 computer room and the girls would punch that up.</p> <p>9 Q. I'm going to show you what's been previously</p> <p>10 marked as Trustee Exhibit 61. Take the clip off if</p> <p>11 it's easier for you. Not sure if that's easier.</p> <p>12 A. Let's leave it on for the time being.</p> <p>13 Q. Ms. Bongiorno, do you recognize this</p> <p>14 document?</p> <p>15 A. You want me to look through the whole thing</p> <p>16 and tell you if I recognize it?</p> <p>17 Q. Uh-huh.</p> <p>18 A. Oh, yep. This was what we called our check</p> <p>19 out book.</p> <p>20 Q. Okay. And what is a check out book?</p> <p>21 A. This is where we would list the checks that</p> <p>22 had to go out to the customers, all checks.</p> <p>23 Q. And when you say "we," can you be specific as</p> <p>24 to who would make entries into this book?</p> <p>25 A. Sure. I would. Joann DiPascali would. When</p>	<p style="text-align: right;">Page 45</p> <p>1 A. Yes.</p> <p>2 Q. And then the process following that was what</p> <p>3 you described earlier was the mailroom?</p> <p>4 A. When the girls got them off the printer they</p> <p>5 would give them to the people in the mailroom. And</p> <p>6 they would -- because the checks had to be separated.</p> <p>7 So they would separate it from the copies, fold them,</p> <p>8 put them in the envelope. Stamp them and mail them.</p> <p>9 Oh, I missed a step. They had to be signed</p> <p>10 first. So when they came off the printer they would be</p> <p>11 given to either Jodi or Frank the last maybe 20 years,</p> <p>12 and before that to me. And we would bring them to</p> <p>13 Bernie to sign.</p> <p>14 Then they would go to whoever was doing the</p> <p>15 mail. And then they would be separated from the</p> <p>16 copies, folded, and put in the envelopes and mailed.</p> <p>17 Q. And were checks mailed on their own or were</p> <p>18 the checks mailed with any other customer account</p> <p>19 documents?</p> <p>20 A. They were -- well, at one time they were</p> <p>21 mailed by themselves. Later on they were mailed with</p> <p>22 the memo. In the early days the check went out, the</p> <p>23 memo might have gone out a couple of days later. But</p> <p>24 later on, in the later days, they were -- the memos</p> <p>25 were attached to the checks.</p>

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13 (Pages 46 to 49)

<p style="text-align: right;">Page 46</p> <p>1 Q. Ms. Bongiorno, I show you what has been 2 previously marked as Trustee Exhibit 62. 3 Ms. Bongiorno, do you remember what's been marked as 4 Trustee Exhibit 62? 5 A. Yes, I do. 6 Q. And what is Trustee Exhibit 62? 7 A. They're profit checks, according to the code, 8 and a memo. 9 Q. And is that the memo that you were just 10 testifying about? 11 A. Yes. 12 Q. And these memos would be sent to the 13 customers? 14 A. Yes. 15 Q. And when would these memos be sent to the 16 customers? 17 A. Well, this says November 25th. That's when 18 it would have gone out, with the check. 19 Q. Would the debit -- would these memos have 20 been sent on or around the time the check was mailed? 21 A. Should have been sent on that exact date, 22 yes. 23 Q. Okay. We're going to come back to Trustee 24 Exhibit 62 in a minute, but I just want to turn back to 25 Trustee Exhibit 61, the check out book.</p>	<p style="text-align: right;">Page 48</p> <p>1 what you mean? 2 Q. No. Let me rephrase my question. 3 In addition to this particular notebook 4 that's been marked as Trustee Exhibit 61 -- 5 A. Right. 6 Q. -- did BLMIS have additional notebooks, other 7 than this one particular notebook? 8 A. No. The only other thing that I would say we 9 did have is, when the arbitrage accounts were open, is 10 the list that would come off the computer. 11 Q. Okay. 12 A. So that would be also a check out form, I 13 guess you would call it. 14 MR. RIOPELLE: I think what Miss Brown 15 is asking is, did you ever fill up one of 16 these books? 17 THE WITNESS: Oh, yeah. 18 MR. RIOPELLE: Did you buy a new one and 19 start over when you did that? 20 THE WITNESS: Yes. 21 MR. RIOPELLE: Okay. That's all. 22 THE WITNESS: I lost you there. I'm 23 sorry. 24 MR. RIOPELLE: That happens. 25 And just in terms of your using this</p>
<p style="text-align: right;">Page 47</p> <p>1 A. Okay. 2 Q. If I could turn your attention to the page 3 ending with -- sorry, the page with the Bates number 4 HWN00001528. 5 A. 28. Okay. 6 MR. DEXTER: Do you have another copy of 7 that exhibit? 8 MS. BROWN: I don't. It's so large I 9 just only brought three. 10 BY MS. BROWN: 11 Q. Do you see a date on the top of the page 12 ending in 28? 13 A. I do. It says 3/28/91. 14 Q. And is March 28, 1991, consistent with your 15 understanding of when BLMIS used the check out book? 16 A. Yeah. 17 Q. And did you use what's been marked as Trustee 18 Exhibit 61 while you were employed at BLMIS? 19 A. The check out book? Yes. 20 Q. And did BLMIS use -- other than the one I've 21 put before you that's been marked as Trustee 22 Exhibit 61 -- did BLMIS use similar notebooks to track 23 checks out? 24 A. Checks out? Well, we would get something 25 from the computer once the checks were done. Is that</p>	<p style="text-align: right;">Page 49</p> <p>1 book, if you look at the Bates number that 2 ends 27, the page before, is there any 3 handwriting of yours on that page? 4 THE WITNESS: Yeah. A. Burger, that's 5 me. 6 MS. BROWN: And just for the record, the 7 Bates label is HWN00001527. 8 BY MS. BROWN: 9 Q. Okay. Miss Bongiorno, I'd like to turn to 10 the page that's marked HWN00001538. 11 A. Okay. 12 Q. Do you recognize the handwriting on this 13 page? 14 A. I believe this is Joann Sala's handwriting. 15 It's either Joann Sala or Francine Crupi -- Francine 16 Barbato. But I think it's Joann. 17 Q. Do you know what the information on this page 18 is? 19 A. Profits on Home Depot. That was probably a 20 trade all these accounts had. 21 Q. And on the left column on that page, what are 22 those numbers? 23 A. Account numbers. The numbers starting with 24 100, 106, those are their account numbers. 25 Q. And then the next column, what is listed?</p>

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<p>1 A. The name of the customer.</p> <p>2 Q. And then the next column?</p> <p>3 A. The code, PW.</p> <p>4 Q. And then the next column?</p> <p>5 A. The amounts for the checks.</p> <p>6 Q. And in the last column?</p> <p>7 A. The date that the check was made.</p> <p>8 Q. Okay. And when you say the amount of the</p> <p>9 checks, that's in the column that's second from the</p> <p>10 right side of the page?</p> <p>11 A. Yes.</p> <p>12 Q. Okay. And those checks, who would those</p> <p>13 checks have been sent to?</p> <p>14 A. To the people on here.</p> <p>15 Q. To the people listed in the second column?</p> <p>16 A. The people listed here, yes. There were</p> <p>17 always exceptions to the rule. Like I'm looking at</p> <p>18 Jaffe, the Jaffe, she didn't get her checks at home.</p> <p>19 She got them at the office. They went to her</p> <p>20 secretary. So there could be exceptions to every rule.</p> <p>21 But typically they went to the customer themselves.</p> <p>22 Q. Who would the -- just looking at the page</p> <p>23 ending in 1538 -- who would these checks be made out</p> <p>24 to?</p> <p>25 A. The people listed here.</p>	<p>1 A. Sure. The first column is the account name.</p> <p>2 The second column is the account number. The third</p> <p>3 column says -- there's a date, but it's just the same</p> <p>4 date as what's on the top of the page. I don't know</p> <p>5 why that's there. And then there's the codes, PW,</p> <p>6 profit withdrawal, or CW, capital withdrawal. Then the</p> <p>7 amounts for each check. And then any special</p> <p>8 instructions.</p> <p>9 Q. And what are the special instructions you see</p> <p>10 on this page?</p> <p>11 A. Well, here it's telling Mr. Covner.</p> <p>12 Mr. Blecker, this account, CAB, it's telling them that</p> <p>13 this check is their profit from HealthSouth. That's</p> <p>14 the transaction.</p> <p>15 Jodi's -- Jodi, the C&M7, C&M7 where it says</p> <p>16 "Ruth Wasserman," that -- I'm really not sure why</p> <p>17 that's there. I don't know if maybe she was told to</p> <p>18 make the checks payable to them. I can't -- I can't</p> <p>19 say why she put that there.</p> <p>20 Q. Okay. But sticking with the top four</p> <p>21 entries, Covner, CAB, Arthur Blecker, Aaron Blecker.</p> <p>22 A. Right.</p> <p>23 Q. The instructions on the very right column of</p> <p>24 HealthSouth, what is HealthSouth? What does that</p> <p>25 information relate to?</p>
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<p>1 Q. Okay.</p> <p>2 A. Yeah.</p> <p>3 Q. And that's the people listed in column two of</p> <p>4 this page?</p> <p>5 A. Yes, yes.</p> <p>6 Q. Can we turn to the page ending in</p> <p>7 HWN00001651.</p> <p>8 A. Okay.</p> <p>9 Q. And, Ms. Bongiorno, do you recognize the</p> <p>10 handwriting on this page?</p> <p>11 A. I recognize Jodi's and I believe either Sala</p> <p>12 or Barbato again, but probably Sala.</p> <p>13 Q. So let's go through the page starting at the</p> <p>14 top.</p> <p>15 A. Okay. So A. Covner down to Aaron Blecker</p> <p>16 would be Francine or Joann.</p> <p>17 Q. That's Barbato or Sala?</p> <p>18 A. Joann Sala, right. And then C&M7, the last</p> <p>19 two, that's Jodi Crupi.</p> <p>20 Q. Okay. And does this page contain -- based on</p> <p>21 your review of the documents -- does this page contain</p> <p>22 similar information to the page that we just looked at?</p> <p>23 A. Yes.</p> <p>24 Q. Okay. And so can you just walk us through</p> <p>25 what you see on this page?</p>	<p>1 A. That's telling the customer what the profit</p> <p>2 check was for, which trade. That's the name of the</p> <p>3 trade.</p> <p>4 Q. Okay. The customer -- would the customer see</p> <p>5 the spiral notebook? The notebook?</p> <p>6 A. This notebook? No.</p> <p>7 Q. So how would the information that the profit</p> <p>8 was in HealthSouth, how would that information be</p> <p>9 conveyed to the customer?</p> <p>10 A. Well, I mean, just assuming they do their own</p> <p>11 P&L and they know what's happening in their accounts,</p> <p>12 they would see. I mean, like, for example, this</p> <p>13 Mr. Covner, when he did his P&L, he would see that he</p> <p>14 made a \$4,148 profit.</p> <p>15 I don't know if at some point we put that on</p> <p>16 the checks. We might have. I can't -- I can't be</p> <p>17 sure. But even if we didn't, he would know that from</p> <p>18 his, you know, account comparisons, the confirmations</p> <p>19 that he gets.</p> <p>20 Q. Okay. The information that's on HWN and the</p> <p>21 page ending on 1651, does this information relate to</p> <p>22 checks?</p> <p>23 A. I'm sorry. Which information?</p> <p>24 Q. Just looking at this page, does this page</p> <p>25 contain information about checks?</p>

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<p>1 A. Yes.</p> <p>2 Q. And the people listed on this page would have</p> <p>3 received checks --</p> <p>4 A. Exactly.</p> <p>5 Q. -- from BLMIS?</p> <p>6 A. Yes.</p> <p>7 Q. For the amounts shown on this page.</p> <p>8 A. Uh-huh.</p> <p>9 Q. If we can turn to the page ending in 1655, do</p> <p>10 you recognize the handwriting on this page?</p> <p>11 A. No. Is that the same handwriting? I don't</p> <p>12 know. I'm not a handwriting expert.</p> <p>13 Q. Okay.</p> <p>14 A. This is definitely neater than the A. Covner</p> <p>15 page. Easier to read. But I don't know -- I'm not</p> <p>16 sure. But based on what I'm seeing here, I could tell</p> <p>17 you it had to either be Joann Sala or it had to be</p> <p>18 somebody working with the -- the 10 accounts. The 10</p> <p>19 accounts, all the accounts that end in the 1-0, that</p> <p>20 was the arbitrage account. So it had to be somebody</p> <p>21 that worked on arbitrage accounts.</p> <p>22 Q. Did Joann Sala work on arbitrage accounts?</p> <p>23 A. She was one of the people, yes.</p> <p>24 Q. Did you work with arbitrage accounts?</p> <p>25 A. Oh, in the very early years. Not at this</p>	<p>1 to checks?</p> <p>2 A. Yes.</p> <p>3 Q. And the checks would be sent to the customers</p> <p>4 listed in the third column on this page?</p> <p>5 A. Exactly.</p> <p>6 Q. We're going to come back to that exhibit, but</p> <p>7 I think we're done with that for now.</p> <p>8 So you were discussing the convertible</p> <p>9 arbitrage accounts or convertible arbitrage. Did</p> <p>10 customers whose accounts had the convertible arbitrage</p> <p>11 strategy, did they have a particular sub-account?</p> <p>12 A. They did.</p> <p>13 Q. And --</p> <p>14 A. They had a sub-account called -- for</p> <p>15 subscription fees, which they had to pay on warrants.</p> <p>16 The sub-account -- what else would have been there?</p> <p>17 Q. Did the sub-account have a numerical value at</p> <p>18 BLMIS? Did it end in a particular number?</p> <p>19 A. Yes. Are you going to ask me for the number?</p> <p>20 It might have been 80. Might have been 80.</p> <p>21 Q. What were the dash one accounts used for?</p> <p>22 A. Arbitrage.</p> <p>23 Q. Okay.</p> <p>24 A. Oh, I can go through that in my head and then</p> <p>25 maybe I could figure it out. So I think it was 80.</p>
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<p>1 time.</p> <p>2 Q. This book is dated on or around 1991.</p> <p>3 A. Uh-huh.</p> <p>4 Q. So by 1991 you were no longer working with</p> <p>5 arbitrage accounts?</p> <p>6 A. Correct.</p> <p>7 Q. Did you supervise Joann Sala?</p> <p>8 A. Yes.</p> <p>9 Q. And she worked with the arbitrage accounts on</p> <p>10 or around this time period?</p> <p>11 A. Yes. I don't remember exactly when she left,</p> <p>12 but her assistant was Francine Barbato. When Joann</p> <p>13 left, Francine took over. And then there was one other</p> <p>14 girl that did that until the accounts were completely</p> <p>15 closed, and that was Semone Anderson. She might have</p> <p>16 done it for a while with them.</p> <p>17 Q. Okay. And looking at the information that's</p> <p>18 on the page ending in 1655 --</p> <p>19 A. Uh-huh.</p> <p>20 Q. -- what is this information?</p> <p>21 A. A list of account numbers, a list of amounts,</p> <p>22 a list of account names. And it's telling you it's the</p> <p>23 profit withdrawn for Liberty National Bancorp; that's</p> <p>24 the trade.</p> <p>25 Q. And do the amounts shown on this page relate</p>	<p>1 Q. And what was 80?</p> <p>2 A. The sub-account for the arbitrage accounts</p> <p>3 for subscription fees and whatever else.</p> <p>4 Q. Okay. So what was the dash -- is it okay if</p> <p>5 I refer to it as dash one? Does that make sense to</p> <p>6 you?</p> <p>7 A. That's fine.</p> <p>8 Q. So what was the dash one account used for?</p> <p>9 A. Arbitrage.</p> <p>10 Q. And. And what's the difference between the</p> <p>11 dash one and the dash eight account?</p> <p>12 A. There was an arbitrage situation where they</p> <p>13 purchased warrants and they had to pay a subscription</p> <p>14 fee. I don't remember why it was done. But I think</p> <p>15 the subscription fee was put in a different account.</p> <p>16 Q. And how common was the dash --</p> <p>17 A. Not too common.</p> <p>18 Q. And was the dash one account more common at</p> <p>19 BLMIS?</p> <p>20 A. Oh, yes.</p> <p>21 Q. What was the connection -- or was there a</p> <p>22 connection between profit withdrawals and the</p> <p>23 convertible arbitrage strategy?</p> <p>24 A. What was the connection?</p> <p>25 Q. Yeah. Were they related in any way?</p>

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1 A. No. Because the customer and Mr. Madoff
2 decided if they were going to take out profits. I
3 mean, the customer probably in 99 percent of the cases
4 decided that in the early years. Then it just became a
5 given that they were going to get the profits out.

6 Q. Okay. How were the profits that related to
7 profit withdrawals generated?

8 A. How were they generated? It was the
9 difference between what they bought it for and what
10 they sold it for. The difference if it was a profit
11 would be what the profits were.

12 Q. Okay.

13 A. Unless I'm not understanding --

14 Q. No. You are. That's fine.

15 Were profit withdrawals related in any way to
16 dividend payments?

17 A. No.

18 Q. And do you know whether BLMIS issued 1099s
19 for profit withdrawal transactions?

20 A. No. But can I say something about the
21 dividends?

22 Q. Uh-huh.

23 A. If an arbitrage setup included a dividend,
24 then the profit withdrawn -- the profit checks that
25 went out on the accounts, the profit withdrawals might

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1 Q. Do you know whether BLMIS issued 1099s to its
2 customers relating to profit withdrawal transactions?

3 A. 1099s? No.

4 Q. If you need to take a break, let me know.

5 A. I'm okay.

6 Q. Did there come a time when BLMIS phased out
7 the dash one accounts?

8 A. Yes.

9 Q. And about when was that?

10 A. Right about the time Joann retired. Right
11 after she retired. But I don't remember the year.

12 Q. That's Joann Sala?

13 A. Yes.

14 Q. And do you know why the accounts were phased
15 out?

16 A. He said -- Bernie told me that they -- the
17 situations were becoming harder to find. So there
18 wasn't as much trading there for him to do in that.
19 And he was doing these options now, the option trades
20 on the other side of the office, on Frank DiPascali's
21 side. So he was going to start moving the people that
22 had arbitrage into the option accounts.

23 Q. Okay. And did the options accounts use a
24 particular numerical value?

25 A. They did. The option accounts would have

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1 have included that dividend. If it was part of the
2 profit, it would have. I don't know if I'm explaining
3 it right. But --

4 Q. And how -- you said if an account was -- an
5 arbitrage was set up that way. What do you mean by
6 that?

7 A. Well, so when you buy -- you bought a bond,
8 for example, for X amount of dollars. You sold common
9 stock. Say the common stock paid a dividend during
10 that time frame that you owned this bond. Then -- and
11 before conversion. Then you would get that dividend.

12 That dividend would be calculated in with the
13 whole trade. So they would say the sale, the dividend,
14 back out the buy side, and the difference would be the
15 profit.

16 Q. Okay. And if a profit withdrawal included
17 the dividend that you just described, would that be
18 reflected on the customer statement in any way?

19 A. All that would be reflected is the net of the
20 account, which would be the profit withdrawn for that
21 particular trade.

22 Q. And do you have any sense of how often a
23 dividend was included in profit withdrawal
24 transactions?

25 A. Not very often.

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1 been a 30 and a 40. The options would go in the 40.
2 The 30 would hold the long positions.

3 Q. Do you think that the phasing out the dash
4 one accounts occurred before 2000?

5 A. I don't know if we could find out when Joann
6 Sala left. They were phased out not too much after she
7 left.

8 Q. Okay. Within a year or two of when she left?

9 A. I would say probably within a year of her
10 leaving.

11 Q. Okay.

12 A. Just guessing.

13 Q. Miss Bongiorno, you just testified about the
14 accounts transitioning to the options trading at some
15 point.

16 A. Uh-huh.

17 Q. And how did the -- or did the payment of
18 profits change after the accounts switched to options
19 trading?

20 A. I don't know.

21 Q. Did you work with the accounts after they
22 switched to options trading?

23 A. No.

24 Q. No?

25 A. No, I did not.

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17 (Pages 62 to 65)

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<p>1 Q. Okay. So just going back a little bit to</p> <p>2 when a customer opened their account. Did BLMIS create</p> <p>3 any type of folder for the customer when they opened an</p> <p>4 account?</p> <p>5 A. Yes.</p> <p>6 Q. And that was an internal folder maintained by</p> <p>7 BLMIS?</p> <p>8 A. Yes. Uh-huh.</p> <p>9 Q. And who would create the folder?</p> <p>10 A. I would. Or Frank would, or Jodi. Whoever</p> <p>11 was opening the account for them.</p> <p>12 Q. And where were the customer folders kept?</p> <p>13 A. In a file cabinet outside of my office. They</p> <p>14 were kind of, like, all over the place.</p> <p>15 Q. Were they all on one floor?</p> <p>16 A. In the last part of the time at Madoff, yes.</p> <p>17 Q. When you went to 885 Third Avenue were the</p> <p>18 folders kept on the 17th floor?</p> <p>19 A. Yes. When we went to the 17th floor we</p> <p>20 brought them with us.</p> <p>21 Q. And what were the folders used for?</p> <p>22 A. They held the new account form, which is the</p> <p>23 form we filled out. They held trading authorization</p> <p>24 form, customer agreement form, tax ID form.</p> <p>25 Q. If you received letters from customers, where</p>	<p>1 Q. Okay.</p> <p>2 A. That's --</p> <p>3 Q. Okay. Is this the customer folders that you</p> <p>4 were --</p> <p>5 A. Yes.</p> <p>6 Q. Is this an example of the customer folders</p> <p>7 you were describing?</p> <p>8 A. Yes, it is.</p> <p>9 Q. And does this look like the type of customer</p> <p>10 folders that you worked with when you were employed at</p> <p>11 BLMIS?</p> <p>12 A. Yes.</p> <p>13 Q. And are these the type of customer folders</p> <p>14 that were maintained near your office?</p> <p>15 A. Yes.</p> <p>16 Q. Okay. So turning to the page that you were</p> <p>17 looking at, which is the page ending in 162330 --</p> <p>18 A. Right.</p> <p>19 Q. -- what is this document?</p> <p>20 A. This is a new account form.</p> <p>21 Q. And what was this form used for by BLMIS?</p> <p>22 A. To open an account and to put the information</p> <p>23 down that was important to the account.</p> <p>24 Q. Would a BLMIS employee fill this form out?</p> <p>25 A. Yes.</p>
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<p>1 would the letters go?</p> <p>2 A. The letters would go in there as well.</p> <p>3 Q. Let me show you what's been marked as Trustee</p> <p>4 Exhibit 23.</p> <p>5 Miss Bongiorno, do you recognize the document</p> <p>6 marked as Trustee Exhibit 23?</p> <p>7 A. Yes.</p> <p>8 Q. And what is that document?</p> <p>9 A. This is the name and address form.</p> <p>10 Q. So you're --</p> <p>11 A. You know, this is the form we used to open</p> <p>12 accounts.</p> <p>13 Q. And are you referring to the page ending in</p> <p>14 2330?</p> <p>15 A. Yes. Oh, no, 330.</p> <p>16 Q. Right.</p> <p>17 A. Yeah.</p> <p>18 Q. The page with AMF00162330?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. And just looking at the document in</p> <p>21 its entirety, so the entire document marked as Trustee</p> <p>22 Exhibit 23, rather than just focusing on that one page,</p> <p>23 what is that document generally?</p> <p>24 MR. RIOPELLE: Look at it first.</p> <p>25 A. That's the folder it's kept in.</p>	<p>1 Q. And would the customer see this form?</p> <p>2 A. No.</p> <p>3 Q. And when would this form be filled out?</p> <p>4 A. Before the account is opened.</p> <p>5 Q. And where would you get the information to</p> <p>6 fill this form out?</p> <p>7 A. From the customer.</p> <p>8 Q. And would they give it to you over the phone?</p> <p>9 A. Most of the customers would come up and</p> <p>10 they'd give it to Mr. Madoff and he'd give it to me.</p> <p>11 The last few years a lot of this was done over the</p> <p>12 phone. But not in the early days. Certainly not back</p> <p>13 then when this was a 10.</p> <p>14 Q. So was this information provided to you --</p> <p>15 A. By the customer.</p> <p>16 Q. And that was done --</p> <p>17 A. Or provided to Mr. Madoff by the customer.</p> <p>18 Q. I see. Did you ever receive a letter with</p> <p>19 this information for a customer in order to fill this</p> <p>20 form out?</p> <p>21 A. Sometimes.</p> <p>22 Q. In most cases, this information either came</p> <p>23 from the customer or Mr. Madoff. And would you say in</p> <p>24 most cases that was verbally, that information was</p> <p>25 provided verbally?</p>

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18 (Pages 66 to 69)

<p style="text-align: right;">Page 66</p> <p>1 A. Well, I'm sure somebody wrote it down, wrote 2 the address down and the correct spelling of the name 3 and whatnot, but yeah. And we sent out a form for them 4 also to fill out. This was a new account card. The 5 customer had to fill this out. 6 Q. Okay. Let the record reflect the witness is 7 referring to the page AMF00162335. So the page ending 8 in 335 is a what? 9 A. It's a form that the customer filled out. It 10 was actually a card, I believe -- 11 Q. Uh-huh. 12 A. -- in the early days. I don't know what it 13 changed to. I don't remember. But it's also this one, 14 2334, the back of the card. 15 Q. Okay. And that's a document that the 16 customer would fill out. 17 A. Yes. 18 Q. So turning back to the page ending in 330. 19 A. Oh. Okay. 20 Q. So lines 1 through 4 that are the second box 21 down, what is that information? 22 A. That's the customer's name and address. 23 Q. Okay. And do you recognize the handwriting 24 on this page, just on lines 1 through 4? 25 A. I think it's -- I'm not really sure.</p>	<p style="text-align: right;">Page 68</p> <p>1 whatever. 2 Q. I think so. And then looking under -- do you 3 see the page where it says, "profits, dividends, 4 interest"? 5 A. Yes. 6 Q. And so what is -- and then it says "Note, 7 call in, send, S equals send, R equals reinvest." What 8 does that form mean? 9 A. This means, as far as profits go, they -- he 10 wanted his profits or she wanted her profits. 11 Q. Okay. 12 A. Typically if there was just one S, it went 13 through the whole thing. 14 Q. So when you say "through the whole thing," 15 you mean all of the little blanks under profits, 16 dividends and interest would be filled out? 17 A. Yes. We just put S. But very, very rarely 18 did it change. So if they saw just the S, they'd fill 19 in -- they meaning the girls who punched this into the 20 computer -- would just put S's all through all the way 21 down. 22 Q. Okay. So what is the S here? What does that 23 tell you about this account? 24 A. That we're going to be sending out the 25 profits.</p>
<p style="text-align: right;">Page 67</p> <p>1 Q. Okay. 2 A. I think it might be Jodi's, but I don't know 3 for sure. 4 Q. Okay. And then looking at the next set of 5 boxes, underneath -- 6 A. Uh-huh. 7 Q. -- starting with a short name, what is a 8 short name. 9 A. Just -- it was just used in the office so 10 that we didn't have to remember everything when we 11 wanted to pull up an account real quick. So we just 12 abbreviated a name. In his case it was his whole name 13 because his name was short. Or her name. 14 Q. And what is a group name? 15 A. That's the connection that Bernie had to 16 them. 17 Q. Okay. 18 A. So in other words, he came in on his own. 19 Just -- I don't know if he was a -- she was a friend of 20 Bernie's or whatever. But some of them you'll see 21 another name, you'll see Avellino or you'll see Alpern 22 or you'll see Chais. In cases like that, that's who 23 brought the customer in. 24 In this case he came in -- she came in on her 25 own. Hanoh, I assume, is a woman; right? Okay,</p>	<p style="text-align: right;">Page 69</p> <p>1 Q. And based on your review of this document, 2 was the account set up that way? 3 A. Yes. 4 Q. So this form, the account is, you know -- I 5 think what you've described so far is that the customer 6 would in some ways speak with Bernie or somehow open 7 the account and then this form would be filled out. 8 A. That's right. 9 Q. And then what would happen next? During the 10 time period where it was automated, what would happen 11 after this form was filled out? 12 A. Well, Bernie would tell us when we could 13 start trading. We'd also send out these papers, the 14 other papers that are in here. We'd send out trading 15 authorizations and trading agreements, option 16 agreements, whatever pertains to the account. 17 Once we got all the paperwork back, we 18 would -- he would tell us that, you know, we could 19 start trading for them. But I'm noticing here there's 20 a note. 21 Q. Okay. 22 A. That's my note. This person did not send 23 back a tax ID form. 24 Q. Okay. 25 A. And when I spoke to Bernie, Bernie said that</p>

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<p>1 this person -- I don't know if -- I don't know why he 2 okayed it. But, look, Bernie said it's okay that he 3 never returned his tax ID form. 4 Q. Let me -- the witness is referring to 5 AMF00162333. 6 So Miss Bongiorno, where on this page is your 7 handwriting? 8 A. So -- in the box. 9 Q. In the box in the upper right corner? 10 A. Yes. And see this little A at the bottom? 11 That's my initial. 12 Q. Okay. So turning back to the page ending 13 2330, the name and address form. 14 A. Okay. Uh-huh. 15 Q. So there's an S on the bottom part of the 16 page under profits. And tell me again what that means 17 to you. 18 A. The S means that we are sending his profits 19 out to him, or her. 20 Q. And would this customer need to have a letter 21 in the file in order to receive profits? 22 A. No. Huh-uh. 23 Q. Other than this form that we're looking at on 24 the page ending in 330, where else was the information 25 about to send or reinvest recorded at BLMIS?</p>	<p>1 Q. And what is it? 2 A. It's a statement. 3 Q. And what -- what customer name and account 4 number is this statement for? 5 A. Hanoh Charat. 6 Q. Hanoh Charat, C-H-A-R-A-T. And the first 7 name is Hanoh, H-A-N-O-H. 8 And what was Charat's account number? 9 A. 1C104710. 10 Q. And this is an example of the dash one 11 accounts we were discussing before? 12 A. Yes. 13 Q. And Miss Bongiorno, do you see any 14 transactions in this month relating to Cardinal Health? 15 A. Yes, I do. 16 Q. And what transactions do you see? 17 A. I see 2,444 shares of Cardinal Health, Inc -- 18 Q. Okay. 19 A. -- at 87 and a half. 20 Q. And what kind of transaction is that? 21 A. It's a buy. 22 Q. And what date did that transaction occur? 23 A. October 20th. That's usually a settlement 24 date. 25 Q. Okay. And -- okay. Is the information that</p>
Page 71	Page 73
<p>1 A. Where else was it recorded? 2 Q. Was it stored in the computer system? 3 A. Oh, yes. This page was written up to go into 4 the computer system. 5 Q. So the send or reinvest notation would also 6 be maintained in the computer system. 7 A. Yes. And that's -- remember we talked about 8 it being automated, the arbitrage being automated. 9 When it was automated, the computer would look at the 10 account number, see the S and know to print the check 11 out. 12 Q. Okay. We're done with that exhibit for now. 13 So Ms. Bongiorno, I place before you Trustee 14 Exhibits 27, 28 and 29 for your review. And I want you 15 to take a look at the statements while I pass out the 16 copies. And the transactions I'd like to ask you about 17 relate to Cardinal Health. 18 A. Okay. 19 Q. Just give me one second. 20 Ms. Bongiorno, are you ready? 21 A. Yeah. 22 Q. Starting with Trustee Exhibit 29. 23 A. Okay. 24 Q. Do you recognize this document? 25 A. Yes.</p>	<p>1 we see in Trustee Exhibit 29, is this information that 2 would have been printed and stored in the AS/400? 3 A. Yes. 4 Q. And turning to Trustee Exhibit 27. 5 A. Okay. 6 Q. And do you recognize this document? 7 A. Yes, I do. 8 Q. And what is it? 9 A. It's an account statement. 10 Q. For the -- which account? 11 A. Hanoh Charat. For November, 1C1047-10. 12 Q. Okay. That's November 1998? 13 A. Yes. 14 Q. And then sticking with the earlier part of 15 the month, what transactions do you see in Cardinal 16 Health? 17 A. I see sales for 2,100 shares and 1,566 18 shares. I see a stock split in it. 19 Q. And what date did those transactions you just 20 described occur? 21 A. November 5th. 22 Q. And do you see any other transactions in 23 November of '98 in Cardinal Health for the month of -- 24 or, sorry -- for the account of Hanoh Charat? 25 A. I see on November 25th a profit check went</p>

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<p style="text-align: right;">Page 74</p> <p>1 out for \$1,331.75.</p> <p>2 Q. Okay. And having looked at the statements</p> <p>3 for December -- I'm sorry -- October '98 and November</p> <p>4 '98, can you describe for me the transactions in</p> <p>5 Cardinal Health that occurred here?</p> <p>6 A. Well, yes. It was a simple buy and sell.</p> <p>7 The sale -- the shares that he was long, or she was</p> <p>8 long, was split in November. And everything was sold</p> <p>9 in November. And the account -- the transaction was</p> <p>10 completed and a check went out on the 25th.</p> <p>11 Q. Okay.</p> <p>12 A. Typical.</p> <p>13 Q. And the check transaction that you're</p> <p>14 referring to on the 25th, what's the description on the</p> <p>15 statement for that transaction?</p> <p>16 A. "Check Cardinal Health, PW."</p> <p>17 Q. And is a check -- profit withdrawal</p> <p>18 transaction with a check, that's the transaction we see</p> <p>19 on November 25th --</p> <p>20 A. Right.</p> <p>21 Q. -- is that consistent with the information</p> <p>22 that you saw in her customer account folder? Let me</p> <p>23 break that down.</p> <p>24 A. Yes, yes. Because in the folder it said that</p> <p>25 profit checks will go out. It was a send. And this is</p>	<p style="text-align: right;">Page 76</p> <p>1 employment at BLMIS?</p> <p>2 A. Yes.</p> <p>3 Q. And looking at Trustee Exhibits 28 --</p> <p>4 sorry -- 27, 28 and 29 together, the transaction in</p> <p>5 Cardinal Health --</p> <p>6 A. Right.</p> <p>7 Q. -- does that represent a full profit</p> <p>8 withdrawal transaction to you?</p> <p>9 A. I'd have to have a calculator and figure it</p> <p>10 out. But I would guess if -- yeah, I would guess so.</p> <p>11 Do you want me to add it up?</p> <p>12 Q. If you're good at that kind of math, you</p> <p>13 could. But I'm not, so I won't ask you to do it.</p> <p>14 A. Okay. Well, with a calculator I could do</p> <p>15 anything. With my head, not so.</p> <p>16 Q. And then let's turn to Trustee Exhibit 62,</p> <p>17 which is right here.</p> <p>18 A. Okay.</p> <p>19 Q. And are you familiar with this type of</p> <p>20 document?</p> <p>21 A. Yes.</p> <p>22 Q. Is this the memo that you were referring to?</p> <p>23 A. Yes, it is.</p> <p>24 Q. And can you tell me what the connection is</p> <p>25 between the memo and the check that we're looking at in</p>
<p style="text-align: right;">Page 75</p> <p>1 us sending the check.</p> <p>2 Q. And if I could have you turn to Trustee</p> <p>3 Exhibit 28. And can you tell me what that document is?</p> <p>4 A. This is the check.</p> <p>5 Q. And what's the amount of the check?</p> <p>6 A. \$1,331.75 went out on November 25th.</p> <p>7 Q. And does the date of the check match the</p> <p>8 transaction on the November statement?</p> <p>9 A. Yes. Yes, it does.</p> <p>10 Q. Does the amount of the check in Trustee</p> <p>11 Exhibit 28 match the amount shown on the statement in</p> <p>12 Trustee Exhibit 27?</p> <p>13 A. Yes, it does.</p> <p>14 Q. Does this appear to you to be a check -- the</p> <p>15 document in Trustee Exhibit 28 -- does that appear to</p> <p>16 you to be a check issued by BLMIS?</p> <p>17 A. Yes.</p> <p>18 Q. How are you familiar with that?</p> <p>19 A. How am I familiar with it?</p> <p>20 Q. Uh-huh.</p> <p>21 A. I just -- I just -- I see it all the time, so</p> <p>22 I know it's a check. And there's a signature on it.</p> <p>23 The memos look a lot like the checks, but there's no</p> <p>24 signature.</p> <p>25 Q. You're familiar with the checks from your</p>	<p style="text-align: right;">Page 77</p> <p>1 Trustee Exhibit 28?</p> <p>2 A. Okay. This is a copy. Twenty-eight is a</p> <p>3 copy of the lower portion of -- what is this -- 62.</p> <p>4 The top is the memo part, and the bottom is the check</p> <p>5 part. This is a copy of it. This is our -- remember,</p> <p>6 I told you they're bursted in the -- this is what</p> <p>7 they're separating. This stays in our file for our</p> <p>8 information.</p> <p>9 Q. Okay. When you say "this," you're referring</p> <p>10 to the memo that's in Trustee Exhibit 62?</p> <p>11 A. Yes. And the memo and the copy of the check.</p> <p>12 It says "nonnegotiable."</p> <p>13 Q. So that stays in the BLMIS files?</p> <p>14 A. Yes.</p> <p>15 Q. Would that -- would the memo that's -- and</p> <p>16 the copy of the check that's in Trustee Exhibit 62,</p> <p>17 would that also be sent to the customer?</p> <p>18 A. The memo is attached to this check.</p> <p>19 Q. Okay.</p> <p>20 A. So, yes, that would have been sent to the</p> <p>21 customer.</p> <p>22 Q. I see.</p> <p>23 A. The way this looks here, that's the way this</p> <p>24 looked --</p> <p>25 Q. I see.</p>

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<p style="text-align: right;">Page 78</p> <p>1 A. -- when it went out.</p> <p>2 Q. So Trustee Exhibit 62 looks similar to what</p> <p>3 was sent to the customer, except for the check on the</p> <p>4 bottom would actually be the real check that was shown</p> <p>5 in Trustee Exhibit 28.</p> <p>6 A. Right. The top copy, these are -- what do</p> <p>7 they call that? I forget. NCR paper? Is that what</p> <p>8 they call it? The top copy is the original check with</p> <p>9 the original memo. This is the copy for our files.</p> <p>10 Q. I see. Where would BLMIS keep copies of the</p> <p>11 memo that's shown in Trustee Exhibit 62?</p> <p>12 A. They had a hanging folder for every single</p> <p>13 customer, and they were all kept by month in those</p> <p>14 folders. And then they were put into envelopes and</p> <p>15 filed and stored somewhere.</p> <p>16 Q. So the memo that's shown in Trustee</p> <p>17 Exhibit 62, would it be kept in the customer folder</p> <p>18 like we looked at in Exhibit 23?</p> <p>19 A. No. It's a different folder that had</p> <p>20 everything that went to the customer. Confirmation</p> <p>21 copies, statement copies, check copies.</p> <p>22 Q. And those you said were in hanging folders.</p> <p>23 A. Uh-huh. In the mailroom. And once again,</p> <p>24 I'm talking about the later years.</p> <p>25 Q. Okay. The later years referring to --</p>	<p style="text-align: right;">Page 80</p> <p>1 no.</p> <p>2 Q. Did you ever go to the basement or the</p> <p>3 warehouse?</p> <p>4 A. I think I was down there once. I never went</p> <p>5 back again.</p> <p>6 Q. So just -- I'd like to compare Trustee</p> <p>7 Exhibit 62, which is the memo --</p> <p>8 A. Uh-huh.</p> <p>9 Q. -- and on -- and Trustee Exhibit 27.</p> <p>10 A. Uh-huh.</p> <p>11 Q. So looking at the top of the memo in Trustee</p> <p>12 Exhibit 62, underneath the date, what does that line</p> <p>13 say?</p> <p>14 A. "Profit withdrawn. Check Cardinal Health."</p> <p>15 So it gave them the name of the transaction that</p> <p>16 created this profit.</p> <p>17 Q. And what is the amount shown on Trustee</p> <p>18 Exhibit 62 on that line?</p> <p>19 A. \$1,331.75.</p> <p>20 Q. And then turning to Trustee Exhibit 27 on</p> <p>21 that date, the November 5th date, what do we see on</p> <p>22 this statement?</p> <p>23 A. Referring back to this again?</p> <p>24 Q. Uh-huh.</p> <p>25 A. November 25th, check Cardinal Health, profit</p>
<p style="text-align: right;">Page 79</p> <p>1 A. Well, the later years we had a mailroom. The</p> <p>2 earlier years we didn't have one. They were wherever</p> <p>3 we could put them. Wherever we had the storage.</p> <p>4 Q. Okay. So the hanging folders that are in the</p> <p>5 mailroom, how often were -- what happened when the</p> <p>6 mail -- those folders got full?</p> <p>7 A. They would take everything out of the folder.</p> <p>8 They did it every six months. They took whatever was</p> <p>9 in the folder out and put it in a manila envelope.</p> <p>10 Labeled it. Similar to this label.</p> <p>11 Q. The label that's in Trustee Exhibit 23?</p> <p>12 A. With the account number and the name on it.</p> <p>13 And then they would put the manila envelopes into</p> <p>14 storage.</p> <p>15 Q. Okay. And storage, you mean the BLMIS</p> <p>16 warehouse?</p> <p>17 A. Well, it would start out in the basement and</p> <p>18 then maybe two years later go to the warehouse, you</p> <p>19 know. It depends on how full the basement got.</p> <p>20 Q. And did you personally create these manila</p> <p>21 envelopes?</p> <p>22 A. No.</p> <p>23 Q. And did you have any role in moving documents</p> <p>24 to the basement or to the warehouse?</p> <p>25 A. Just telling them to do it. Other than that,</p>	<p style="text-align: right;">Page 81</p> <p>1 withdrawn. And the same amount, \$1,331.75.</p> <p>2 Q. Okay. And then turning to the check that's</p> <p>3 in Trustee Exhibit 28, who is the check made payable</p> <p>4 to?</p> <p>5 A. Hanoh Charat.</p> <p>6 Q. And that's the account holder whose account</p> <p>7 documents we've been looking at.</p> <p>8 A. That's correct. And the account number.</p> <p>9 Q. And the amount of the check that's in Trustee</p> <p>10 Exhibit 28 matches both the amount on the statement in</p> <p>11 Trustee Exhibit 27 and the debit memo in Trustee</p> <p>12 Exhibit 62?</p> <p>13 A. Yes.</p> <p>14 Q. Were the memos that are in Trustee</p> <p>15 Exhibit 62 --</p> <p>16 A. Uh-huh.</p> <p>17 Q. -- was that also generated by the same</p> <p>18 computer system that created the statements and the</p> <p>19 checks?</p> <p>20 A. The same computer system? Yes. Uh-huh.</p> <p>21 Q. Turning back to the statement in Trustee</p> <p>22 Exhibit 28 -- oh, no, I'm sorry.</p> <p>23 A. This is 28.</p> <p>24 Q. Twenty-seven. I apologize.</p> <p>25 A. Okay.</p>

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<p>1 Q. What date did the profit withdrawal check 2 occur on? 3 A. November 25th. 4 Q. Okay. And that check is dated after the 5 Cardinal Health securities are sold; is that correct? 6 A. Correct. 7 Q. When were the Cardinal Health securities sold 8 according to this statement? 9 A. Well, the settlement date is November 5th. 10 Q. Uh-huh. Okay. Would the check that's the 11 check transaction on November 25th that's shown on this 12 statement -- 13 A. Uh-huh. 14 Q. -- that's marked as Trustee Exhibit 27, would 15 that check have been sent to Cardinal Health? 16 A. Would it be sent to Cardinal Health? No. It 17 would be sent to Hanoh Charat. 18 Q. Okay. We're going to look at a new set of 19 exhibits. So if we have to take break, now would be a 20 good time. 21 A. Okay. 22 Q. Or if you want to keep going, we can keep 23 going. It's up to you. 24 A. Oh, I could use the ladies room. 25 MS. BROWN: Okay. Let's go off the</p>	<p>1 MS. BROWN: Might be we didn't staple it 2 properly. 3 MS. CHAITMAN: Okay. This is 62. Okay. 4 Got it. Thank you. Okay. So it ends with 5 109? 6 MS. BROWN: Yes. 7 BY MS. BROWN: 8 Q. So, Miss Bongiorno, I think you were starting 9 to talk about page ending in 97. 10 A. That's Mr. Charat's sale of Cardinal Health, 11 and the back of that on 98. And 99 and 100, the front 12 and back, that's another sales slip for 1,566 shares. 13 Oh, okay. Okay. And then 101 is the 14 original ticket without a settlement date, because this 15 Cardinal Health was sold short when issued. So the 16 stock hadn't been issued yet when this was sold. And 17 that's why there's no settlement date. And that's why 18 the sale shows up a month later on the statement. So 19 2,100 sold short when issued. Once it's issued, they 20 did the confirmation over and put the sale -- 21 settlement date on it. 22 Q. Okay. And do you see on the left-hand side 23 of the page ending in 101 where it's two asterisks and 24 it says "cancel"? 25 A. Uh-huh.</p>
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<p>1 record. 2 (Recess taken 10:08 a.m. to 10:16 a.m.) 3 BY MS. BROWN: 4 Q. Ms. Bongiorno, I have a couple more questions 5 about Trustee Exhibit 62. Let me place that back 6 before you. Looking at the end of Trustee Exhibit 62, 7 so not the first page, but the page starting with the 8 Bates number -- or ending in the Bates number 095 -- 9 A. 095. Okay. 10 Q. -- and going through 109 -- 11 A. Okay. 12 Q. -- do you know what those pages are? Or can 13 you tell me what those pages are? 14 A. 95 is the buy slip. The customer bought 15 2,444 shares of Cardinal Health. On 96, that's the 16 back of -- I guess it's the back of 95, although it 17 looks like the backside of the confirmation. 97 -- 18 MR. DEXTER: No. I don't think we have 19 page 96. 20 MS. CHAITMAN: Yeah. We don't have 21 anything after the first two pages. 22 MS. BROWN: It wasn't stapled together. 23 The first two pages of 62 should have been 24 produced. 25 MR. DEXTER: Yeah.</p>	<p>1 Q. What does that mean? 2 A. Well, when we do a when issue, we sent out a 3 confirmation without the settlement date that says 4 "when issued." But when it's issued, we cancel the 5 when issue and then send out a good confirmation. 6 That's the way he did it. 7 Q. Okay. 8 A. And these are -- this 103 is the same thing, 9 another sale, another when issue sale. And the back of 10 that is 104. And 105 was the original when issue. 11 See, this one's not cancelled. This is the original 12 one; done in October. And six is the back of that. 13 Seven is also the original sale, 1,566 shares 14 and the back of that. And 109 is showing that the 15 stock split went through on November 5th for 100 -- 16 1,222 shares of Cardinal Health. 17 Q. Okay. 18 A. So this is the transaction that if you add 19 and subtract everything, you would come up with this 20 profit that created the profit that we issued the check 21 for. 22 Q. Okay. And those transactions were also 23 reflected on the statement? 24 A. Yes. Excuse me. Not the when issued. 25 Because if it doesn't have a settlement date, it</p>

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<p>1 doesn't show up on the statement. But once it was 2 issued, that showed up on your November statement. 3 Q. Okay. And the pages that we've just been 4 looking at with Trustee Exhibit 62, so the page ending 5 in 094 and going through 109, is this an example of a 6 document that would have been kept by BLMIS at BLMIS? 7 A. The original would go to the customer. The 8 copies of all these would go in our file, the same file 9 that would hold the memo that we talked about before, 10 and the copy of the check. 11 Q. And those are the hanging folders in the 12 mailroom? 13 A. That's right. 14 Q. And would a document, like the one that's 15 been marked as Trustee Exhibit 62, would a copy of this 16 be sent to the customer? 17 A. He would get the originals. 18 Q. We're done with that. 19 Let me show you what's been marked as Trustee 20 Exhibit 36. 21 A. This is an oldie. 22 Q. Miss Bongiorno, do you recognize the document 23 that's been marked as Trustee Exhibit 36? 24 A. Yes. 25 Q. And what is that document?</p>	<p>1 Q. How would he have done that? 2 A. He would have discussed it with Mr. Madoff at 3 the time that they opened the account or at the time 4 that Mr. Madoff agreed to open the account for him. 5 Q. And after that discussion with Mr. Madoff, 6 when would this form be filled out? 7 A. I don't know. I mean, as soon as Bernie told 8 me about it or whoever -- in this case, it might have 9 been Jodi -- the form would have been filled out. 10 Q. And if the account was marked as a send on 11 this form, what does that mean for the account? 12 A. It means that whatever checks -- whatever 13 profits were generated in the account would be sent to 14 him. 15 Q. And those profits would be sent without any 16 letter request from the customer? 17 A. Correct. 18 Q. Based on your review of this page, does it 19 appear that the account was changed from a send to a 20 reinvest at any point? 21 A. No. There was a change, but only with the 22 account number. 23 Q. Okay. And what was that change? 24 A. Well, originally, the accounts just had 25 numbers, but then we decided to code them with a letter</p>
Page 87	Page 89
<p>1 A. Well, the first page is the hanging folder -- 2 is the folder with the customer's number and name on 3 it. 4 Q. Uh-huh. 5 A. The second page of it, which is 419, is the 6 new account form that -- or maintenance form that was 7 filled out to open the account. 8 Q. Okay. And whose handwriting appears on the 9 page ending in 419? 10 A. It looks like Jodi's handwriting to me. 11 Q. Okay. And based on looking at the sheet, can 12 you tell whether the account was a send or a reinvest 13 account? 14 A. It was a send. 15 Q. And how would this account have become a send 16 account? 17 A. Well, either the customer would have 18 said that he -- most likely, because this is a very old 19 one -- and in the early years, it was up to the 20 customer what they wanted -- he probably requested 21 these checks, because it says "send." 22 Q. Okay. And would he have had to have made 23 that request for a send in writing when he set up the 24 account? 25 A. No.</p>	<p>1 from the alphabet based on their last name. So it was 2 originally 100254-10. They changed this account number 3 to 1B022-10. 4 Q. And when did the numbering system for 5 accounts at BLMIS change? About when? 6 A. It might say it somewhere. It doesn't say 7 it. I don't even know why this is attached. 8 Q. When you say "this," are you referring to the 9 last page -- 10 A. The last page. 11 Q. -- ending in 420? 12 A. Yeah. It's a different account number. 13 Unless he opened a second account. Oh, maybe he opened 14 an option account. I really don't know what that is. 15 But anyway, it doesn't say when it was changed. 16 Q. Do you have a general sense of when the 17 numbering system changed at BLMIS? 18 A. No. I don't remember. 19 Q. Okay. Other than the numbering change to the 20 account number, does the file maintenance form indicate 21 any other changes to the account? 22 A. Yes. 23 Q. What? 24 A. It indicates that a new account was made. I 25 think this B156 -- see, it says "30/40"?</p>

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<p>1 Q. Uh-huh.</p> <p>2 A. When the arbitrage accounts closed and the</p> <p>3 option accounts opened, they opened new account</p> <p>4 numbers. So this 48 -- this account went into options</p> <p>5 in April of '96.</p> <p>6 Q. Okay. Sticking with the account number that</p> <p>7 used to be 100254 and then became 1B022, based on your</p> <p>8 review of this form, did the send or reinvest</p> <p>9 designation change for this account?</p> <p>10 A. No.</p> <p>11 Q. Miss Bongiorno, do you know Aaron Blecker,</p> <p>12 the customer whose account we're looking at?</p> <p>13 A. Do I know him personally?</p> <p>14 Q. Are you familiar with him?</p> <p>15 A. I know the name. I've seen the name and</p> <p>16 heard the him. But I don't know him personally. I</p> <p>17 don't remember speaking to him all that often either.</p> <p>18 Q. Do you remember speaking to him at all?</p> <p>19 A. No.</p> <p>20 Q. Do you remember ever meeting him?</p> <p>21 A. No.</p> <p>22 Q. I'm going to show you what's been marked as</p> <p>23 Trustee Exhibit 41.</p> <p>24 Miss Bongiorno, do you see any profit</p> <p>25 withdrawal transactions on July 11th?</p>	<p>1 A. I noticed further down there's another check.</p> <p>2 Q. Uh-huh.</p> <p>3 A. Okay. This is telling me that someone called</p> <p>4 and said they didn't get this check.</p> <p>5 Q. Okay.</p> <p>6 A. So a stop payment was placed on it. Because</p> <p>7 you see cancelled check 711 on the 17th?</p> <p>8 Q. Yes.</p> <p>9 A. And we issued another check to send out. See</p> <p>10 it on the 17th?</p> <p>11 Q. Yes.</p> <p>12 A. Okay.</p> <p>13 Q. So let's just walk through that.</p> <p>14 A. Sure.</p> <p>15 Q. So the first transaction we see on the 11th</p> <p>16 is what?</p> <p>17 A. A profit withdrawn for 3,230.02 for the</p> <p>18 profit on HealthSouth.</p> <p>19 Q. Okay. And then the next transaction we see</p> <p>20 relating to HealthSouth is what?</p> <p>21 A. The 17th, July 17th.</p> <p>22 Q. And what happens on the 17th?</p> <p>23 A. It shows another check going out to</p> <p>24 HealthSouth, profit withdraw for the same exact amount</p> <p>25 of money, and on the same date a cancel for the check</p>
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<p>1 A. Yes.</p> <p>2 Q. And what is that transaction?</p> <p>3 A. It says "check HealthSouth, "and it's a</p> <p>4 profit withdrawn for 3,230.02.</p> <p>5 Q. Okay. And I'd like you to turn back to</p> <p>6 Trustee Exhibit 61, which is this exhibit here.</p> <p>7 A. Uh-huh.</p> <p>8 Q. Looking at page that ends in 1655.</p> <p>9 A. Oh. I just noticed something else on here.</p> <p>10 Should I pass it up for now? 1655.</p> <p>11 Q. I'm sorry. 1651.</p> <p>12 A. 1651. Okay.</p> <p>13 MR. RIOPELLE: Be easier to take that</p> <p>14 off.</p> <p>15 THE WITNESS: Okay. All right.</p> <p>16 BY MS. BROWN:</p> <p>17 Q. What did you notice, before we go any</p> <p>18 further?</p> <p>19 A. On this page?</p> <p>20 Q. Yes.</p> <p>21 MR. RIOPELLE: What exhibit are you</p> <p>22 referring to there?</p> <p>23 THE WITNESS: Exhibit 41.</p> <p>24 BY MS. BROWN:</p> <p>25 Q. Thank you.</p>	<p>1 of 711.</p> <p>2 That was typical if somebody ever called and</p> <p>3 said, you know, we didn't get that check. It's on my</p> <p>4 statement. I didn't get it. We would call the bank</p> <p>5 and see if it was cashed. If it wasn't cashed, we'd</p> <p>6 stop payment and issue a new check. That was the</p> <p>7 system.</p> <p>8 Q. And did customers often call if they didn't</p> <p>9 receive their checks?</p> <p>10 A. Well, if they didn't receive -- it didn't</p> <p>11 happen often. But when it did happen, they would call</p> <p>12 up and say they didn't receive it. Sure. If you see a</p> <p>13 check on your statement or if you know a check is</p> <p>14 coming because you've requested profit checks and you</p> <p>15 don't get it, you call up and say, "What's going on?"</p> <p>16 Sometimes the customer would make a mistake,</p> <p>17 too. But in this case, if we cancelled the check,</p> <p>18 that's because the bank said it was never cashed.</p> <p>19 Q. Okay.</p> <p>20 A. So we'd put the stop payment and issue a new</p> <p>21 one.</p> <p>22 Q. Thank you.</p> <p>23 So turning to the page ending in 1651.</p> <p>24 A. Uh-huh.</p> <p>25 Q. And just focusing on the account 25410.</p>

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<p>1 A. Right.</p> <p>2 Q. Do you see that?</p> <p>3 A. Yes.</p> <p>4 Q. And what's the -- what's the date and the</p> <p>5 amount of the transaction that's listed in Trustee</p> <p>6 Exhibit 61 on page ending in 1651?</p> <p>7 A. I'm sorry. Say that again. On this page,</p> <p>8 you want to know the check here? Where it is here?</p> <p>9 Q. Uh-huh.</p> <p>10 A. It's one, two, three -- the fourth one down.</p> <p>11 Account number 10025410, profit withdrawn for</p> <p>12 \$3,230.02.</p> <p>13 Q. Okay. And the information you just read is</p> <p>14 from Trustee Exhibit 61 on the page ending in 1651.</p> <p>15 A. Correct.</p> <p>16 Q. And that's the check out book?</p> <p>17 A. Yes.</p> <p>18 Q. And what's the date in the check out book of</p> <p>19 the transaction that you just read?</p> <p>20 A. July 17th.</p> <p>21 Q. Okay. And turning to Trustee Exhibit 41, do</p> <p>22 you see a corresponding transaction on the customer</p> <p>23 statement?</p> <p>24 A. Yes.</p> <p>25 Q. And does the date and amount match on the</p>	<p>1 Q. Okay. What's the amount of the transaction</p> <p>2 shown in the check out box?</p> <p>3 A. \$360.92.</p> <p>4 Q. And what's the -- do you see a corresponding</p> <p>5 transaction on Trustee Exhibit 41?</p> <p>6 A. Where is it? What did I do with the -- yes,</p> <p>7 I do.</p> <p>8 Q. And do the dates and the amounts match</p> <p>9 between the statement and the check out book?</p> <p>10 A. I don't see a date here. Hang on one second.</p> <p>11 No.</p> <p>12 Q. Is the check out book missing a date for the</p> <p>13 page 1655?</p> <p>14 A. Yeah. There's no date on it.</p> <p>15 Q. Okay. Other than the date, does the amount</p> <p>16 of the transaction and the customer name match?</p> <p>17 A. Yes.</p> <p>18 Q. And based on your understanding of the check</p> <p>19 out book, if a customer is listed in Trustee</p> <p>20 Exhibit 61, does that book reflect payments that were</p> <p>21 made to customers by check?</p> <p>22 A. Yes.</p> <p>23 Q. And does the statement for Mr. Blecker in</p> <p>24 Trustee Exhibit 41 also reflect that he received a</p> <p>25 check relating to profits in Liberty National?</p>
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<p>1 customer statement to the information in the check out</p> <p>2 book?</p> <p>3 A. Yes.</p> <p>4 Q. And what does that tell you about the checks</p> <p>5 for Aaron Blecker?</p> <p>6 A. It tells me that the check went out for that</p> <p>7 amount.</p> <p>8 MS. CHAITMAN: What page is the check</p> <p>9 that they're focused on?</p> <p>10 MR. RIOPELLE: It ends in 511651.</p> <p>11 BY MS. BROWN:</p> <p>12 Q. And if you can turn to 1655.</p> <p>13 A. Uh-huh.</p> <p>14 Q. And turn to Exhibit 61. And what's the</p> <p>15 information that's on the page ending in 1655? What</p> <p>16 does that relate to?</p> <p>17 A. For this account?</p> <p>18 Q. Or just generally. What's on the page ending</p> <p>19 in 1655?</p> <p>20 A. This says profit withdrawn for Liberty</p> <p>21 National Bancorp.</p> <p>22 Q. And on the page ending in 1655, do you see</p> <p>23 any transactions that relate to the account that's</p> <p>24 listed in Trustee Exhibit 41?</p> <p>25 A. That would be Aaron Blecker. Yes, I do.</p>	<p>1 A. Yes.</p> <p>2 Q. We're going to put the large exhibit, Trustee</p> <p>3 Exhibit 61, away for now.</p> <p>4 A. That's this one.</p> <p>5 MS. BROWN: I'd like to mark this as</p> <p>6 Trustee Exhibit 69. It bears the Bates</p> <p>7 number MF00057516.</p> <p>8 (Marked for identification</p> <p>9 as Trustee Exhibit No. 69.)</p> <p>10 MR. RIOPELLE: That's 61 you say?</p> <p>11 MS. BROWN: It is 69.</p> <p>12 BY MS. BROWN:</p> <p>13 Q. Miss Bongiorno, what is the document that's</p> <p>14 been marked as Trustee Exhibit 69?</p> <p>15 A. This looks like a ledger sheet.</p> <p>16 Q. Okay.</p> <p>17 A. Or a statement. I mean, it's so similar.</p> <p>18 This is definitely a ledger sheet though. I can see</p> <p>19 from the bottom.</p> <p>20 Q. And what's on the bottom that tells you it's</p> <p>21 a ledger sheet?</p> <p>22 A. The long and short position moneys. I don't</p> <p>23 believe that's on a statement.</p> <p>24 Q. Okay. And what is a ledger sheet?</p> <p>25 A. It's an exact copy of the statement, but it</p>

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<p>1 has a little extra information on it.</p> <p>2 Q. And the extra information that's displayed on</p> <p>3 the bottom, those are the -- what are you referring to</p> <p>4 exactly?</p> <p>5 A. Right here where it says "long" and "short,"</p> <p>6 it has "Anheuser-Busch" and it's got amounts of money</p> <p>7 under the long and the short. That on the statement</p> <p>8 you'll see security positions Anheuser-Busch, but you</p> <p>9 won't see these moneys.</p> <p>10 Q. So you won't see the amounts under long or</p> <p>11 short?</p> <p>12 A. That's right.</p> <p>13 Q. So the amounts under long and short would</p> <p>14 only be seen on ledger sheets which were used</p> <p>15 internally?</p> <p>16 A. Correct.</p> <p>17 Q. But other than the amounts for long and</p> <p>18 short, does this page look like what a statement would</p> <p>19 have looked like?</p> <p>20 A. With one other difference. Also where it</p> <p>21 says "difference," these numbers would not be on a</p> <p>22 statement.</p> <p>23 Q. Okay.</p> <p>24 A. So other than that, it's the, you know, the</p> <p>25 mirror image of a statement.</p>	<p>1 it's a profit withdrawn for \$4,002.50.</p> <p>2 Q. And where did that \$4,002.50 go?</p> <p>3 A. To the customer.</p> <p>4 Q. What's the account number for the statement</p> <p>5 that we're looking at?</p> <p>6 A. 100254-10.</p> <p>7 Q. And that's the same account whose customer</p> <p>8 folder we looked at in Trustee Exhibit 36?</p> <p>9 A. Yes.</p> <p>10 Q. And how was the account, 100254, how was it</p> <p>11 set up? Was it set up to send or reinvest its profits?</p> <p>12 A. Send the profits.</p> <p>13 Q. Okay. And is this statement that we've</p> <p>14 looked at in Trustee Exhibit 69 consistent with the</p> <p>15 account being set up as a send account?</p> <p>16 A. Yes.</p> <p>17 Q. Would Mr. Blecker have to write to BLMIS in</p> <p>18 order to receive a check for Holiday Corp profits --</p> <p>19 A. No.</p> <p>20 Q. -- in February of 1987?</p> <p>21 A. No.</p> <p>22 Q. He would be sent those profits automatically?</p> <p>23 A. Yes.</p> <p>24 MS. BROWN: I'd like to mark this as</p> <p>25 Trustee Exhibit 70. For the record, Trustee</p>
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<p>1 Q. Okay. Looking at the top of the document, do</p> <p>2 you see the columns for debit and credit?</p> <p>3 A. Yes.</p> <p>4 Q. And what do those columns mean?</p> <p>5 A. Well, the debit is what was sent out to him,</p> <p>6 and the credit is his balance in this case.</p> <p>7 Q. Okay. And where it says "balance forward,"</p> <p>8 what does that mean?</p> <p>9 A. That's the balance from the month before.</p> <p>10 Q. Uh-huh. And two lines under that, "new</p> <p>11 balance," what does that mean?</p> <p>12 A. That's the balance after any transaction for</p> <p>13 the month. There was one transaction in this account.</p> <p>14 Q. Okay. And based on your review of this</p> <p>15 statement, does it appear that the account's balance</p> <p>16 went down by the amount of the profit withdrawal</p> <p>17 transaction?</p> <p>18 A. Yes.</p> <p>19 Q. So the profit withdrawal transaction reduced</p> <p>20 to the balance of the account?</p> <p>21 A. Correct.</p> <p>22 Q. And based on your understanding of profit</p> <p>23 withdrawals, what does this transaction represent on</p> <p>24 February 5th?</p> <p>25 A. It says it's a check for Holiday Corp and</p>	<p>1 Exhibit 70 is a compilation of the December</p> <p>2 customer statements for Aaron Blecker,</p> <p>3 account number 100254. These are the</p> <p>4 December statements for the years 1986, 1987,</p> <p>5 1988, '89, 1990 and 1991.</p> <p>6 (Marked for identification</p> <p>7 as Trustee Exhibit No. 70.)</p> <p>8 BY MS. BROWN:</p> <p>9 Q. Miss Bongiorno, if you could just take a</p> <p>10 minute to look at these statements. And the question</p> <p>11 I'm going to be asking you are about the balances from</p> <p>12 year to year. So --</p> <p>13 A. Okay. It's hard to read some of them.</p> <p>14 Q. I know. I apologize for that.</p> <p>15 So starting with the page that bears the</p> <p>16 Bates number MF00067077.</p> <p>17 A. Okay.</p> <p>18 Q. What is the balance in December of 1986 for</p> <p>19 the account 100254?</p> <p>20 A. The balance is 104,002.50. \$104,002.50.</p> <p>21 Q. And turning to the next page, which bears the</p> <p>22 Bates number MF00063864, which is the December 1987</p> <p>23 statement, what is the balance for -- I'm sorry. What</p> <p>24 is the balance at the end of the month for --</p> <p>25 A. 103,737 -- or is that 97, I can't read it --</p>

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<p>1 and 56 cents.</p> <p>2 Q. Okay. And turning to the next page, which</p> <p>3 bears the Bates number MF00529912, which is the</p> <p>4 December 1980 statement, what is the ending balance for</p> <p>5 this account?</p> <p>6 A. \$101,624.45.</p> <p>7 Q. And turning to the December 1989 statement,</p> <p>8 MF00052809, can you tell me what the ending balance is</p> <p>9 for that month?</p> <p>10 A. 103,000 -- it looks like \$852.34.</p> <p>11 Q. The next one is the December 1990 statement,</p> <p>12 which is MF00024487. Can you tell me what the ending</p> <p>13 balance is for that month?</p> <p>14 A. \$103,783.14.</p> <p>15 Q. And the last one is the December 1991</p> <p>16 statement bearing Bates MF00472995. Can you tell me</p> <p>17 what the ending balance is for that one?</p> <p>18 A. 955?</p> <p>19 Q. Yes.</p> <p>20 A. \$103,282.84.</p> <p>21 Q. Okay. So comparing the page ending in 955</p> <p>22 with the very first page which ends in 077, can you</p> <p>23 tell me roughly what the difference is between those</p> <p>24 two amounts?</p> <p>25 A. I would say roughly the difference is what</p>	<p>1 going to show you what's been marked as Trustee</p> <p>2 Exhibit 42.</p> <p>3 Miss Bongiorno, what is the document that's</p> <p>4 been marked as Trustee Exhibit 42?</p> <p>5 A. Well, it's the folder. It's the maintenance</p> <p>6 folder and then the account folder.</p> <p>7 Q. And which account is it?</p> <p>8 A. Arthur and Sofie Blecker, account 1B0025-10.</p> <p>9 Q. If you look at the page ending in 423, what</p> <p>10 is the account number that's at the top of that page?</p> <p>11 A. It says B0023.</p> <p>12 Q. Okay.</p> <p>13 A. 23. Did I read this one wrong?</p> <p>14 Q. I think it's a little unclear.</p> <p>15 A. You know what? You're right, because this</p> <p>16 one looks more like a 3.</p> <p>17 Q. Okay. So the account number of the folder</p> <p>18 that we're looking at is 1B0023; is that correct?</p> <p>19 A. Yes.</p> <p>20 Q. Okay. Looking at the page ending in 423, in</p> <p>21 the lines 1 through 4 --</p> <p>22 A. Right.</p> <p>23 Q. -- do you recognize any of the handwriting</p> <p>24 there?</p> <p>25 A. Yes. The original handwriting that said</p>
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<p>1 the profit might be built into these numbers, before</p> <p>2 the profit checks went out.</p> <p>3 Q. Right. Okay. So looking at the</p> <p>4 December 1986 statement, we have about -- we have</p> <p>5 104 -- approximately \$104,000; correct?</p> <p>6 A. Right.</p> <p>7 Q. And looking at the December 1991 statement,</p> <p>8 we have approximately \$103,000.</p> <p>9 A. Correct.</p> <p>10 Q. Right? So the --</p> <p>11 A. So I would just think that the first</p> <p>12 statement, the 104,000, there's a check due out for</p> <p>13 that. That's a little bit bigger than the check that</p> <p>14 was due out for this last statement.</p> <p>15 Q. Okay. I mean, just to be fair, we're looking</p> <p>16 at a five-year period.</p> <p>17 A. Right.</p> <p>18 Q. So over the course of five years, the</p> <p>19 difference between the two -- I'm sorry, the difference</p> <p>20 between -- in the account over that five years, the</p> <p>21 balance stays roughly the same; is that correct?</p> <p>22 A. That's correct. Because the investment was</p> <p>23 the same and because he's been getting his profits all</p> <p>24 along.</p> <p>25 Q. We're done with that set of exhibits. I'm</p>	<p>1 Arthur and Sofie Blecker on the first line and line 4</p> <p>2 the 50 Gristmill Lane in Great Neck, that's all me.</p> <p>3 The line 2, Sofie Blecker, joint tenants, that is not</p> <p>4 me. I have no idea who that was. Could be Joann.</p> <p>5 Q. Okay. And turning to the bottom part of the</p> <p>6 page where -- starting with short name?</p> <p>7 A. Uh-huh.</p> <p>8 Q. Whose handwriting is on the bottom?</p> <p>9 A. Mine.</p> <p>10 Q. And so that's your handwriting for short</p> <p>11 name?</p> <p>12 A. Yes.</p> <p>13 Q. And Social Security number?</p> <p>14 A. Yes.</p> <p>15 Q. Group name?</p> <p>16 A. That's me.</p> <p>17 Q. And for the line that says "type 1" under</p> <p>18 "profits, dividend, interest," is that your</p> <p>19 handwriting?</p> <p>20 A. Yep. That's me.</p> <p>21 Q. And do you recall setting up this account?</p> <p>22 A. No.</p> <p>23 Q. Can you tell me how this account would have</p> <p>24 been set up?</p> <p>25 A. The same way they all get set up.</p>

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<p>1 Q. Okay.</p> <p>2 A. Somebody asks -- they ask Bernie to open an</p> <p>3 account and told us to set it up.</p> <p>4 Q. Okay. How would the profits and -- I'm</p> <p>5 sorry. Strike that.</p> <p>6 How would this account be set up as a send</p> <p>7 account?</p> <p>8 A. With the "S." I guess she -- they wanted</p> <p>9 their check or Bernie wanted to send them a check. I</p> <p>10 don't know. Whatever.</p> <p>11 Q. Would that -- the designation as a send be</p> <p>12 done verbally --</p> <p>13 A. Yes.</p> <p>14 Q. -- between the customer and Bernie?</p> <p>15 A. Yes.</p> <p>16 Q. Would a letter be required in order to set up</p> <p>17 the account as a send account?</p> <p>18 A. No.</p> <p>19 Q. Once the account is set up as a send account,</p> <p>20 would the customer receive their profits?</p> <p>21 A. Yes.</p> <p>22 Q. And they would receive their profits</p> <p>23 automatically?</p> <p>24 A. Yes.</p> <p>25 Q. And they would receive their profits without</p>	<p>1 A. Yes, it is.</p> <p>2 Q. And would Mr. Blecker have needed to write a</p> <p>3 letter to BLMIS in order to receive the check for</p> <p>4 Household International profits?</p> <p>5 A. No, he would not.</p> <p>6 Q. And why would he not have had to write a</p> <p>7 letter?</p> <p>8 A. Because the account was designated to receive</p> <p>9 profits from day one.</p> <p>10 Q. And looking at the transaction, can you tell</p> <p>11 me what the balance -- the balance forward for account</p> <p>12 100215 is?</p> <p>13 A. The balance forward, 188,823.37.</p> <p>14 Q. And when we look at the new balance, it's</p> <p>15 reduced; right?</p> <p>16 A. Yes.</p> <p>17 Q. And by about how much is it reduced by?</p> <p>18 A. By about \$5,654.50.</p> <p>19 Q. Which -- and what does that amount represent?</p> <p>20 A. That's the profit withdrawn that's been sent</p> <p>21 out.</p> <p>22 Q. All right. We're done with that exhibit.</p> <p>23 MS. BROWN: I'd like to mark as Trustee</p> <p>24 Exhibit 72 a document bearing Bates number</p> <p>25 MF00483413.</p>
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<p>1 any letter request for each individual profit check?</p> <p>2 A. Correct.</p> <p>3 MS. BROWN: I'm going to mark the</p> <p>4 document bearing the Bates number MF00151754</p> <p>5 as Exhibit 71.</p> <p>6 (Marked for identification</p> <p>7 as Trustee Exhibit No. 71.)</p> <p>8 BY MS. BROWN:</p> <p>9 Q. Miss Bongiorno, what is the document that's</p> <p>10 been marked as Exhibit 71?</p> <p>11 A. It's a ledger sheet.</p> <p>12 Q. And how can you tell it's a ledger sheet?</p> <p>13 A. It's got the long and short moneys at the</p> <p>14 bottom and the difference.</p> <p>15 Q. And the information that's shown on</p> <p>16 Exhibit 71 would mirror what would be on a customer</p> <p>17 statement for the same date.</p> <p>18 A. Exactly.</p> <p>19 Q. And what transactions do you see in the month</p> <p>20 of September 1984?</p> <p>21 A. Just one transaction on the 13th for a check,</p> <p>22 profit withdrawn Household International, 5,654.50.</p> <p>23 Q. And is that transaction consistent with how</p> <p>24 the account was set up when you looked at Trustee</p> <p>25 Exhibit 42?</p>	<p>1 (Marked for identification</p> <p>2 as Trustee Exhibit No. 72.)</p> <p>3 BY MS. BROWN:</p> <p>4 Q. And Miss Bongiorno, what is this document?</p> <p>5 A. This is a ledger sheet.</p> <p>6 Q. And for what account, name and number?</p> <p>7 A. For Arthur Blecker and Sofie Blecker,</p> <p>8 100215-10.</p> <p>9 Q. And do you see any transactions relating</p> <p>10 to -- I'm sorry -- relating to HealthSouth in this</p> <p>11 month?</p> <p>12 A. Yes. I see a few of them.</p> <p>13 Q. Can you tell me what those transactions are?</p> <p>14 A. Sure. It's telling me on November -- on</p> <p>15 July 11th the check went out for HealthSouth, profit</p> <p>16 withdrawn for \$12,364.06. It's showing me on the 17th</p> <p>17 the check was cancelled. And on the 17th a new check</p> <p>18 was issued for the same exact -- for the same exact</p> <p>19 amount of money.</p> <p>20 Q. And what does that series of transactions</p> <p>21 tell you?</p> <p>22 A. That he received a profit check for this</p> <p>23 trade in HealthSouth.</p> <p>24 Q. And do you know why there would have been a</p> <p>25 check cancelled?</p>

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<p>1 A. Only if he didn't get the check and he called 2 in to say he didn't get it. 3 Q. Looking at Trustee Exhibit 61, if you could 4 turn to the page ending in 1651. Miss Bongiorno, on 5 the page ending 1651, do you see any transactions for 6 the account 100215? 7 A. Yes. 8 Q. And what is that transaction? 9 A. The profit withdrawn for 12,364.06. 10 Q. And looking at the document with the page 11 ending in 1651, what does that page represent? 12 A. Checks that went out. 13 Q. And who would the checks be sent to? 14 A. Well, the person whose name is on it, Arthur 15 Blecker. Let me just say something. These are both 16 Blecker checks. The same thing happened to both 17 checks. So maybe they went out in the same envelope. 18 They might have had the same address. Because that's 19 what it looks like. It looks like the envelope went 20 missing and we had to issue new checks. 21 Q. Okay. The checks were issued for two 22 separate accounts though? 23 A. Yes, they were. 24 Q. All right. We're done with that exhibit. 25 I'm going to show you what's been marked</p>	<p>1 A. '92. 2 Q. Do you want to take a break? 3 A. Okay. 4 Q. And just -- if we can go down the line. What 5 does capital additions refer to? 6 A. Checks that he sent in. 7 Q. And capital withdrawals? 8 A. Checks that we sent him. 9 Q. And profits? 10 A. He didn't have any here though. 11 Q. Okay. And how do you know that? 12 A. Because it's zero, and it's blank. So we 13 didn't send out any capital to him. 14 Q. And profits withdrawn? 15 A. Those would be the profits that were made in 16 the account for that period. 17 Q. What would happen when those profits were 18 made? 19 A. The profits withdrawn? We would have sent 20 them to him. 21 Q. What is expected rate of return? 22 A. That's the rate of return that Mr. Madoff 23 told him that he can expect for that year. 24 Q. And the line under it, expected return for 25 366 days?</p>
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<p>1 Trustee Exhibit 39. Miss Bongiorno, do you know what 2 the document is that's been marked as Trustee 3 Exhibit 39? 4 A. It's an arbitrage portfolio management 5 report. 6 Q. And what is that? 7 A. Well, it was a way for Bernie to make sure 8 that the accounts were running around the range that he 9 assumed they would be running. I'm not very familiar 10 with this one, because I wasn't doing these arbitrages 11 at this point. But I'll help wherever I can. 12 Q. Have you seen an arbitrage portfolio 13 management report before today? 14 A. I probably did back in '92, whenever these 15 started. But I -- not for many years. 16 Q. Let's look at the account at the top, 1B0022. 17 A. Uh-huh. 18 Q. Are you familiar with what initial investment 19 means? 20 A. Yes. 21 Q. And what is that? 22 A. That's the initial amount that they started 23 the account with in January of this year. Excuse me. 24 Q. And the year of the document we're looking at 25 is what?</p>	<p>1 A. That would be his investment times the 2 22 percent. What it would be approximately for the 3 year. 4 Q. And over/under expected return for current 5 year? 6 A. So he didn't make the 22 percent, he was 7 under the 22 percent. 8 Q. And current equity, what does that refer to? 9 A. That would be what the account value was on 10 December 31st, 1992. 11 Q. And underneath that where it says "beginning 12 credit balance," what does that refer to? 13 A. I guess the same thing as the top, the 14 initial investment. Then annualized rate of return. 15 Oh, it's telling us what -- what he actually made. 16 Q. And what did he actually make this year? 17 A. Well, it says 20.20 percent. 18 Q. And what does projected annualized rate of 19 return mean? 20 A. I think that's what they expected it to be. 21 I'm not really sure. 22 Q. Okay. 23 MS. CHAITMAN: I'm sorry. Where do you 24 see 20.20 percent? 25 MS. BROWN: It's under the annualized</p>

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<p>1 return for the current year, at the top. 2 MS. CHAITMAN: Oh, I see. I'm sorry. 3 Okay. 4 BY MS. BROWN: 5 Q. Okay. But you didn't personally work with 6 this document. 7 A. No, I didn't. I worked with a similar 8 document, but not this one. 9 Q. And to your knowledge, who did work with 10 these documents? 11 A. I think first Jodi, then Joann, then 12 Francine. 13 Q. Jodi Crupi? 14 A. Jodi Crupi, Joann Sala, and Francine Barbato. 15 Q. And do you know what they used these 16 documents for? 17 A. Basically just to make sure the account was 18 running the way it should run, that there were no 19 errors. Because if this was, like, way off, then they 20 would think that there might be an error in the 21 account. Maybe if a stock didn't completely get sold 22 or -- they would go back and check to see if there was 23 something wrong. 24 Q. When you say that -- to make sure the account 25 was running normal, what figure are you looking at to</p>	<p>1 A. Yes. 2 Q. Who would generate these documents? 3 A. The keypunch operator would just punch in a 4 code and they would print. 5 Q. And was there a time of year that these -- 6 the documents that we're looking at in Trustee 7 Exhibit 39 and 40 were printed? 8 A. Well, as I said, I didn't do this particular 9 portfolio. But I would assume monthly, because mine 10 were done monthly. I think they were all done monthly. 11 Q. But staying with Trustee Exhibit 40, this 12 type of a report reflects the cash movements in the 13 account? 14 A. Yes. 15 MS. CHAITMAN: Can you put a year on 16 this document? 17 MS. BROWN: I don't. But I will 18 shortly. 19 BY MS. BROWN: 20 Q. I want to show you what's been marked as 21 Trustee Exhibit 37. What is Trustee Exhibit 37? 22 A. This is also a ledger sheet. 23 Q. And a ledger sheet is a mirror image of what 24 the customer statement is except for the long and short 25 values?</p>
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<p>1 determine that? 2 A. Well, because Bernie is saying this is going 3 to average about 22 percent. 4 Q. Uh-huh. 5 A. And down here it says 20 percent, which is 6 fine. But let's say it's at 50 percent or it's at 2 7 percent, then there might be a problem with something 8 going on either in the program or in the account 9 itself. 10 Q. I'm going to show you what's been marked as 11 Trustee Exhibit 40. Are you familiar with the document 12 that's been marked as Trustee Exhibit 40? 13 A. Yes. 14 Q. And what is that? 15 A. This is also part of the portfolio report. 16 But in this report it just lists the capital coming in 17 and any checks in and out of the account for a given 18 period. This is January 1st to December -- I mean, I 19 don't have a date on this, but I'm going to assume it's 20 the 31st of December because the last check I'm seeing 21 is in December. 22 Q. Was this document generated by the AS/400? 23 A. Yes. 24 Q. And was the document that we looked at in 25 Trustee Exhibit 39 also generated by the AS/400?</p>	<p>1 A. Exactly. 2 Q. And what year is Trustee Exhibit 37 for? 3 A. This is for 1992. 4 Q. And what month? 5 A. This is April 30, 1992. 6 Q. Okay. And if we compare Trustee Exhibit 37 7 with Trustee Exhibit 40 for the month of April, what -- 8 do you see corresponding transactions between those 9 documents? 10 A. On April 28th, the profit withdrawn of 11 2,606.03 on both documents. 12 Q. I'm going to show you what's been marked as 13 Trustee Exhibit 38. And what is Trustee Exhibit 38? 14 A. This is also a ledger sheet. 15 Q. What date and what account? 16 A. For June 30, 1992, for Aaron Blecker. 17 B0022-10. 18 Q. And do you see any corresponding transactions 19 between Trustee Exhibit 38 and Trustee Exhibit 40? 20 A. Yes, I do. 21 Q. And what is that? 22 A. On June 16th, a profit withdrawn for 23 2,627.74. 24 Q. And that transaction appears on both the 25 statement in Exhibit 38 and the report in Exhibit 40?</p>

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<p>1 A. Portfolio report, yes.</p> <p>2 Q. And Exhibit 40 shows the cash movements in</p> <p>3 the account for that year period?</p> <p>4 A. Yes.</p> <p>5 Q. I'm going to show you what's -- we can put</p> <p>6 these exhibits back -- what's been marked as Trustee</p> <p>7 Exhibit 44.</p> <p>8 A. They're sticking together. Okay.</p> <p>9 Q. Miss Bongiorno, what is Trustee Exhibit 44?</p> <p>10 A. It's the folder for the -- account folder for</p> <p>11 Aaron Blecker, revocable trust.</p> <p>12 Q. And what account number is it?</p> <p>13 A. 1B0156-30-40.</p> <p>14 Q. What does the 30-40 represent?</p> <p>15 A. The 30 is a long position account; the 40 is</p> <p>16 an option account.</p> <p>17 Q. If we can turn to the page ending page in</p> <p>18 126. Can you tell me what this page reflects?</p> <p>19 A. Yeah. This is a new -- an updated</p> <p>20 maintenance sheet, like the ones we saw before.</p> <p>21 Q. And how was this page generated?</p> <p>22 A. Well, it's a form. We fill it in. And then</p> <p>23 the girls in the computer room put it into the</p> <p>24 computer.</p> <p>25 Q. Uh-huh. Does this page reflect the same type</p>	<p>1 The 50 would be circled and there would be a J there.</p> <p>2 But this is Frank's.</p> <p>3 Q. What does type and batch refer to?</p> <p>4 A. Type and batch? Oh, the type is the kind of</p> <p>5 account it is. A 30 being a long position, a 40 would</p> <p>6 be an option. And the batch is just telling you the</p> <p>7 trader that's doing it, or the person that's really</p> <p>8 breaking them up, breaking the trades down, whatever</p> <p>9 you want to say.</p> <p>10 MS. CHAITMAN: Could you just read back</p> <p>11 the last sentence about what the batch is?</p> <p>12 THE REPORTER: "And the batch is just</p> <p>13 telling you the trader that's doing it, or</p> <p>14 the person that's really breaking them up,</p> <p>15 breaking the trades down, whatever you want</p> <p>16 to say."</p> <p>17 BY MS. BROWN:</p> <p>18 Q. This account that we're looking at, 1B0156,</p> <p>19 this was not an account that you dealt with though.</p> <p>20 A. It was not an account I dealt with.</p> <p>21 Q. I'm going to show you what's been marked as</p> <p>22 Trustee Exhibit 45.</p> <p>23 A. Put this away?</p> <p>24 Q. And, Miss Bongiorno, what is Trustee</p> <p>25 Exhibit 45?</p>
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<p>1 of information as the older forms that we looked at for</p> <p>2 name, address, file maintenance?</p> <p>3 A. It does.</p> <p>4 Q. And turning to the bottom portion of the page</p> <p>5 where it says "profits, dividends, interest,</p> <p>6 type/batch," what do you see there?</p> <p>7 A. I see that the account originally was a send,</p> <p>8 but it's being changed.</p> <p>9 Q. And what is it changed to?</p> <p>10 A. Well, I didn't do options, but my memory</p> <p>11 tells me in the option accounts, they were all sends.</p> <p>12 I really -- I'm really not sure because this was on</p> <p>13 Frank's side of the office. So I'm not sure what he</p> <p>14 did. I know the option account, they got their checks,</p> <p>15 like, quarterly. They didn't get checks every single</p> <p>16 time a trade was done.</p> <p>17 Q. Do you know what the S crossed out means?</p> <p>18 A. It was originally a send account.</p> <p>19 Q. Uh-huh.</p> <p>20 A. But I don't know why they were crossed out.</p> <p>21 You see this, where it says "type" and "batch"? That</p> <p>22 wasn't on our original maintenance sheets. These are</p> <p>23 new ones that were created for his accounts.</p> <p>24 Q. For his accounts you mean Frank?</p> <p>25 A. Frank's, yes. See the F? This was Jodi's.</p>	<p>1 A. It's another account maintenance file for</p> <p>2 Arthur and Sofie Blecker, joint tenants with rights of</p> <p>3 survivorship, 1B0157-30-40.</p> <p>4 Q. And looking at the page ending in 159, what's</p> <p>5 on that page?</p> <p>6 A. Customer maintenance file information.</p> <p>7 They're changing the number on this account. Looks</p> <p>8 like they're changing her name, spelling also. This is</p> <p>9 becoming an option account, the type 30 and 40.</p> <p>10 Q. And then what do you see about the send or</p> <p>11 reinvest status on this page?</p> <p>12 A. It said send, but it was crossed out.</p> <p>13 Q. And do you know what the cross means?</p> <p>14 A. Excuse me?</p> <p>15 Q. Do you know what the cross -- the X means?</p> <p>16 A. I don't know. This is, like I said, not</p> <p>17 my -- not on my side of the office. So it may have had</p> <p>18 different rules. I don't know.</p> <p>19 Q. Okay. I want to show you what's marked as</p> <p>20 Trustee Exhibit 46. I don't have any clips for this</p> <p>21 one. I only have one extra copy.</p> <p>22 Miss Bongiorno, do you recognize what's been</p> <p>23 marked as Exhibit 46?</p> <p>24 A. Oh, yes. It's a maintenance folder again.</p> <p>25 Paperwork that would be in a maintenance folder.</p>

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<p>1 Q. And what account is Trustee Exhibit 44?</p> <p>2 A. 1C1001-10. And that's the CAB Trust.</p> <p>3 Q. Okay. And looking at the page ending in 356,</p> <p>4 do you recognize any of the handwriting on that page?</p> <p>5 A. I don't.</p> <p>6 Q. And looking at the bottom of the page, can</p> <p>7 you tell me how this account was set up with regard to</p> <p>8 its profits?</p> <p>9 A. It was set up as a send, which means it would</p> <p>10 get its profits.</p> <p>11 Q. It would get its profits automatically?</p> <p>12 A. Automatically.</p> <p>13 Q. And turning to the next page ending in 357.</p> <p>14 A. Uh-huh.</p> <p>15 Q. This page has a lot of different handwriting</p> <p>16 on it.</p> <p>17 A. Right.</p> <p>18 Q. Do you recognize any of it?</p> <p>19 A. Yes. The original handwriting Joe Blum --</p> <p>20 Joel A. Blum, Trustee, that's me.</p> <p>21 Q. Okay. And that's the handwriting in lines 1</p> <p>22 and 2 that's crossed out?</p> <p>23 A. One and 2, right. And even where it says "as</p> <p>24 of 9/5/84, CAB," that's all me.</p> <p>25 Line 3, I don't know who that is. It's just</p>	<p>1 the handwriting there?</p> <p>2 A. Yes. The first S is me. And the big S</p> <p>3 that's not crossed out is me. So is -- this is all me.</p> <p>4 Q. So underneath profits, the S that's crossed</p> <p>5 out, whose handwriting is that?</p> <p>6 A. Me.</p> <p>7 Q. And then dividends, the S that's crossed out?</p> <p>8 A. Me.</p> <p>9 Q. Interest, the S that's crossed out?</p> <p>10 A. It's all mine.</p> <p>11 Q. The R in the circle that's crossed out?</p> <p>12 A. Same thing, me.</p> <p>13 Q. And the S that's not crossed out.</p> <p>14 A. Mine.</p> <p>15 Q. And based on your review of this document,</p> <p>16 what do these different notations tell you?</p> <p>17 A. Well, it tells me that they changed their</p> <p>18 minds a few times. It was set up to be a send. But</p> <p>19 then on September of '84 they changed it to a reinvest.</p> <p>20 And then it went back to a send.</p> <p>21 We don't have the back of the jacket; right?</p> <p>22 No. So see, if you had the folder, on the back of the</p> <p>23 folder -- oh, wait, here. Change address. Change</p> <p>24 number 1. Change to send. Change -- oh, change</p> <p>25 address. Okay. It looks like this was set up as a</p>
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<p>1 an address change.</p> <p>2 Q. And lines 4, city, state, is that your --</p> <p>3 A. That's me.</p> <p>4 Q. And going down the page, for short name,</p> <p>5 whose handwriting is that?</p> <p>6 A. Short name, Blum, Joel. There must have been</p> <p>7 another Blum. That's me.</p> <p>8 Q. What about the Social Security number?</p> <p>9 A. Me.</p> <p>10 Q. And do you see the number above the Social</p> <p>11 Security number in a box?</p> <p>12 A. Yes.</p> <p>13 Q. I'm sorry. In a circle?</p> <p>14 A. Yes. That's me also.</p> <p>15 Q. Do you know what that number is, the one</p> <p>16 that's in the circle?</p> <p>17 A. It looks like he took a Social Security</p> <p>18 number and changed it to an ID number. Yeah, because</p> <p>19 he changed the name on the account.</p> <p>20 Q. Okay. And the group name, whose --</p> <p>21 A. Blum. J. Blum.</p> <p>22 Q. Whose handwriting is that?</p> <p>23 A. I don't know.</p> <p>24 Q. And when we look down below on the profits,</p> <p>25 dividends, interest section, do you recognize any of</p>	<p>1 reinvest to start and then it was changed to a send.</p> <p>2 Q. And how can you tell that?</p> <p>3 A. It says on the last page here,</p> <p>4 MADTBB02386398. It says, change address in August of</p> <p>5 '87. And you see that there was a change in the</p> <p>6 address.</p> <p>7 Q. Uh-huh.</p> <p>8 A. Then it says in 1988 they change number 1.</p> <p>9 That's the title. They change that line there.</p> <p>10 Then in 1990 they changed it to a send and</p> <p>11 add a c/o, care of. Okay. So they added line 3 and</p> <p>12 they made it a send.</p> <p>13 Q. Looking at the last page of the Trustee</p> <p>14 Exhibit --</p> <p>15 A. Send 1 to 398.</p> <p>16 Q. -- 46, this is the back of the folder?</p> <p>17 A. That's usually written on the back of the</p> <p>18 folder. And when I give it to the girls or whoever</p> <p>19 gives it to the girls that keypunch, they know what</p> <p>20 this change is that they have to go in and do. Because</p> <p>21 they'll read the back of the folder and then they'll</p> <p>22 open up and do the change.</p> <p>23 Q. Okay. So the account that we're looking at</p> <p>24 for Trustee Exhibit 46, it changed its send and</p> <p>25 reinvest status several times.</p>

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<p>1 A. Yes.</p> <p>2 Q. And if a customer wanted to make a change to</p> <p>3 its send or reinvest status, it would have to write to</p> <p>4 BLMIS?</p> <p>5 A. To change it? You first talk to Mr. Madoff</p> <p>6 and then, right, it's got to be done in writing.</p> <p>7 Q. If we can turn to the page in -- that ends in</p> <p>8 376.</p> <p>9 A. 376?</p> <p>10 Q. Yep.</p> <p>11 A. 356. Hold on. Okay. Okay. What's the</p> <p>12 question?</p> <p>13 Q. The question is: Do you see anything in this</p> <p>14 letter that indicates the customer wants a change to</p> <p>15 his send or reinvest status?</p> <p>16 A. Yes, I did.</p> <p>17 Q. Okay. And what does this letter state?</p> <p>18 A. It says to "this point until further notice</p> <p>19 to be reinvested in the account," to reinvest his</p> <p>20 profits.</p> <p>21 Q. And is this letter addressed to you?</p> <p>22 A. Yes.</p> <p>23 Q. And what would you do upon receiving this</p> <p>24 letter?</p> <p>25 A. I would make sure Bernie approved this. And</p>	<p>1 A. Yeah. Well, he's saying -- he's saying he</p> <p>2 wants to close the account, so we should send a check</p> <p>3 for the balance of the account, plus for the current</p> <p>4 transaction, which would be -- which he probably means</p> <p>5 whatever profit he has in the latest transaction.</p> <p>6 Q. Okay. I want to show you what's been marked</p> <p>7 as Trustee Exhibit 49. Miss Bongiorno, do you</p> <p>8 recognize the document that's been marked as Trustee</p> <p>9 Exhibit 49?</p> <p>10 A. Vaguely.</p> <p>11 Q. And where do you recognize it from?</p> <p>12 A. Well, there was a document similar to this,</p> <p>13 but not -- it was mostly handwritten. One of our</p> <p>14 keypunch operators was leaving, and I asked her to</p> <p>15 write down all the jobs, all the codes and whatever she</p> <p>16 had to do, in case after she was gone we need to re --</p> <p>17 to, you know, research what we needed to do. And she</p> <p>18 started making up what we called a manual.</p> <p>19 I think this is the end result, but I don't</p> <p>20 know if this was the original one she did or what.</p> <p>21 Because it's not -- to look at it, it doesn't look</p> <p>22 familiar and yet the information in it is what she</p> <p>23 would have put in the manual. So they may have redone</p> <p>24 it somewhere along the way. I don't know.</p> <p>25 Q. Which keypunch operator are you talking</p>
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<p>1 he probably did before the customer even sent this to</p> <p>2 me. And then I would, if he approved it, I would take</p> <p>3 the folder out. Write on the back of the folder to</p> <p>4 make the change. And I'd make the change here. So</p> <p>5 where is that first page?</p> <p>6 So this is telling me it was a send</p> <p>7 originally. But in 1984 he changed it to an R, which</p> <p>8 we have here. But it looks like it went back to a send</p> <p>9 somewhere along the line, because that's crossed out.</p> <p>10 So there must be more letters.</p> <p>11 Q. So when you received the letter that ends in</p> <p>12 376 you would have made a change on the name/address</p> <p>13 file maintenance form?</p> <p>14 A. Uh-huh.</p> <p>15 Q. And you would have marked it as what?</p> <p>16 A. As a reinvest.</p> <p>17 Q. So if we can look at the page ending in 358.</p> <p>18 A. Okay.</p> <p>19 Q. What's the date of this letter?</p> <p>20 A. April 18th, 1996.</p> <p>21 Q. And can you just take a minute to review the</p> <p>22 letter. Let me know when you're ready.</p> <p>23 A. Okay.</p> <p>24 Q. Do you see anything in this letter that</p> <p>25 relates to the send or reinvest status of the account?</p>	<p>1 about?</p> <p>2 A. Allyson. Her name was Allyson -- oh, my</p> <p>3 goodness. What's her last name? Allyson. I don't</p> <p>4 remember her last name.</p> <p>5 Q. Okay.</p> <p>6 A. She left to study law.</p> <p>7 (Discussion off the record)</p> <p>8 THE WITNESS: I wish I could remember</p> <p>9 her name.</p> <p>10 BY MS. BROWN:</p> <p>11 Q. Do you know if anyone else at BLMIS worked</p> <p>12 with Allyson to compile the information that we see in</p> <p>13 Exhibit 49?</p> <p>14 A. Okay. When Allyson left, she was working</p> <p>15 with Dorothy Kahn. I don't know how much input Dorothy</p> <p>16 had in this. I mean, they were like night and day in</p> <p>17 what they knew, which was why I made Allyson write</p> <p>18 everything down. But Dorothy replaced her and then we</p> <p>19 had -- we hired somebody else. Alethea Mui came in to</p> <p>20 actually be her replacement. Dorothy was always the</p> <p>21 backup.</p> <p>22 Q. So are you familiar with the information</p> <p>23 that's contained in this manual generally?</p> <p>24 A. I didn't read it all, but yeah. Some of</p> <p>25 this, as I'm going through it, I know what it is.</p>

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<p>1 Q. Okay. I have some specific questions.</p> <p>2 A. Okay.</p> <p>3 Q. Just staying with the manual itself, though,</p> <p>4 do you know where this would have been kept at BLMIS?</p> <p>5 A. In my cabinet. And in Frank's or Jodi's,</p> <p>6 when they started really taking over what I was doing.</p> <p>7 Q. Do you know when that happened?</p> <p>8 A. I would say -- September 11th was in 2001?</p> <p>9 MR. RIOPELLE: Uh-huh.</p> <p>10 A. So I would say in about 2 -- oh, wait a</p> <p>11 minute. No, it was when I bought the house in Florida.</p> <p>12 I'm very bad with dates. I really don't remember. It</p> <p>13 was right about the time I bought the house in Florida,</p> <p>14 because I was traveling a lot at that point. And they</p> <p>15 took a lot of my work off my shoulders. So --</p> <p>16 Q. That was before 2000?</p> <p>17 A. Yes. It was definitely before 2000.</p> <p>18 Q. Before 1990?</p> <p>19 A. I don't think it was before 1990.</p> <p>20 Q. Okay. So this document would have been -- or</p> <p>21 a similar document would have been kept in the cabinets</p> <p>22 for you, Jodi and Frank.</p> <p>23 A. Uh-huh.</p> <p>24 Q. If we can turn to the page ending in 545.</p> <p>25 A. Okay.</p>	<p>1 checks were done, probably in Joann's office, in Jodi's</p> <p>2 office, Frank's office, one of the offices.</p> <p>3 Q. But was there one binder that we're looking</p> <p>4 at with the profit checks?</p> <p>5 A. At one point there was one binder. But later</p> <p>6 on there were three. There might have been one for</p> <p>7 arbitrage, one for hedges, one for option accounts.</p> <p>8 Because at -- you know, the way the accounts were</p> <p>9 divided, when the option accounts started, the</p> <p>10 arbitrage slacked off until they were done. So, you</p> <p>11 know, at one point it might have been in Joann's</p> <p>12 office; another point it might have been in Frank's</p> <p>13 office.</p> <p>14 Q. Okay. And in this binder with the green</p> <p>15 bars; right?</p> <p>16 A. Uh-huh.</p> <p>17 Q. The binder had green bar sheets in it?</p> <p>18 A. Uh-huh.</p> <p>19 Q. What information was on the green bar sheets?</p> <p>20 A. The account -- well, the date, the account</p> <p>21 number, the account name, the profit check for -- which</p> <p>22 stock the profit check was for, the amount of the</p> <p>23 check, and that's it.</p> <p>24 And then on the day the girls might have made</p> <p>25 some extra notes on the sheet by hand. But that was</p>
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<p>1 Q. And at the top it describes three different</p> <p>2 books. What are those three books?</p> <p>3 A. Okay. The check in book was a little -- like</p> <p>4 a steno notebook. And when the checks came in, they</p> <p>5 posted them in this notebook and then gave them to the</p> <p>6 girls to punch up from the notebook.</p> <p>7 The check out book is the one we've been</p> <p>8 looking at. That was a regular-size, like letter-size</p> <p>9 spiral notebook. And the binder with the profit</p> <p>10 checks, those were the ones that automatically came out</p> <p>11 of the arbitrage accounts, the ones ending in 10. That</p> <p>12 was automated, so we didn't have a notebook for that.</p> <p>13 That went in a binder when it came off the computer.</p> <p>14 Q. Okay. Can you describe that binder for me,</p> <p>15 what it looks like?</p> <p>16 A. It was about, I don't know, maybe -- maybe</p> <p>17 18 inches long by around 12 inches -- I mean 18 inches</p> <p>18 wide by about 12 inches long. It had, like, colored</p> <p>19 plastic on top and it was black, like a very flimsy</p> <p>20 plastic cover on the front and the back. It was what</p> <p>21 they put all the green bars, when you file the green</p> <p>22 bar computer sheets in.</p> <p>23 Q. Where was the binder with profit checks kept?</p> <p>24 A. There was a little file room. Well, they</p> <p>25 were kept there after the checks were done. Before the</p>	<p>1 all generated by the computer. It was on a sheet</p> <p>2 similar to that one. You know, those are green bar</p> <p>3 sheets.</p> <p>4 Q. Are you referring to this?</p> <p>5 A. Yes.</p> <p>6 Q. So the witness is referring to Trustee</p> <p>7 Exhibit 38, which is the June 1992 sheet for account</p> <p>8 1B0022.</p> <p>9 So can you tell me again when you say that</p> <p>10 it's like this, what do you mean?</p> <p>11 A. Well, this is what I call the green bar</p> <p>12 sheet. It was white -- a white line, a green line.</p> <p>13 They call them green bars, and they come off the</p> <p>14 computer.</p> <p>15 Q. It was printed from the AS/400?</p> <p>16 A. Yes. On that type of sheet.</p> <p>17 Q. And it was printed on colored paper?</p> <p>18 A. No. It was white -- a white line, a green</p> <p>19 line. Yeah.</p> <p>20 Q. How often were the green bars printed?</p> <p>21 A. Whenever a trade -- green bars are printed</p> <p>22 all the time, all day long. So what -- which green</p> <p>23 bars are you talking about?</p> <p>24 Q. For the documents that go in the binder with</p> <p>25 the profit checks, how often would those sheets be</p>

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<p>1 printed?</p> <p>2 A. Whenever the trade was done that created a</p> <p>3 profit.</p> <p>4 Q. Okay. And who would print those sheets?</p> <p>5 A. One of the girls in the computer room,</p> <p>6 Alethea Mui, Dorothy Kahn.</p> <p>7 Q. And who would request the girls in the</p> <p>8 computer room print those sheets?</p> <p>9 A. They came out automatically. They didn't</p> <p>10 need to be requested. They came out with the work.</p> <p>11 Q. And they were printed when the deal was done?</p> <p>12 A. Yeah. Because first we would give them the</p> <p>13 tickets and the tickets would all go in. The trades</p> <p>14 would be put into the computer. And then the trades</p> <p>15 would come out. The confirms, the memos, anything that</p> <p>16 was associated with the trade.</p> <p>17 And then after those were printed, then it</p> <p>18 would all print out on green bars. At month end they'd</p> <p>19 do the statements. And then the green bars for the</p> <p>20 statements -- or we call them ledger sheets -- so they</p> <p>21 came out almost after you printed everything. We got</p> <p>22 sheets on -- to review everything.</p> <p>23 Q. Okay. So going down the page on 545, what</p> <p>24 is -- do you see the notation for check codes?</p> <p>25 A. Yes.</p>	<p>1 A. That's right.</p> <p>2 Q. And when you got that document that showed</p> <p>3 you all the profits that were due, what would you do</p> <p>4 with that document?</p> <p>5 A. Put it in date order and then wait until the</p> <p>6 trade was completely done and then give it to the girls</p> <p>7 to do the checks on it.</p> <p>8 Q. Okay. And what role -- or when did the</p> <p>9 spiral notebook come into that process? Or where does</p> <p>10 it fit into it?</p> <p>11 A. Well, the spiral notebook was used before we</p> <p>12 were automated for a profit withdrawn. But it was used</p> <p>13 up until the end for any -- any capital withdrawals and</p> <p>14 any profit withdrawals that didn't go through the</p> <p>15 regular process. Or like in one of the cases we looked</p> <p>16 at, where they issued a cancel and then a rebill on the</p> <p>17 check, that we have to do manually. So that's when we</p> <p>18 would use that spiral notebook.</p> <p>19 Q. So the entries that we see in the spiral</p> <p>20 notebook would generally -- would be manual.</p> <p>21 A. Right. And before we were automated</p> <p>22 everything was manual, so we always used that notebook.</p> <p>23 Q. Okay. So going back to this on page 545,</p> <p>24 where it says, "on description type check stock name,"</p> <p>25 where would -- what does that mean?</p>
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<p>1 Q. What does check codes refer to?</p> <p>2 A. The PW, the CW.</p> <p>3 Q. And if you can just review the description</p> <p>4 that it has for PW.</p> <p>5 A. Okay.</p> <p>6 Q. When it says, "Check that comes from setups</p> <p>7 and binder are 10 account and always PW," what does</p> <p>8 that mean?</p> <p>9 A. Well, the 10 accounts are the arbitrage</p> <p>10 accounts, and those are always profits withdrawn. If</p> <p>11 they say PW, they're always profit withdrawn.</p> <p>12 Q. If they say PW where?</p> <p>13 A. On that sheet. Or -- yeah, the sheet that</p> <p>14 comes out that lists the profits that are going to be</p> <p>15 due on a specific date for the clients, it says PW on</p> <p>16 those sheets, like the one you showed me that we write</p> <p>17 up. Some of them we write up. We write them up, and</p> <p>18 we have to do it manually because there was a problem</p> <p>19 with the check.</p> <p>20 It's hard to explain. But it originally,</p> <p>21 after the trades are done, we would get a ledger sheet</p> <p>22 out that showed all the profits and the day that they</p> <p>23 were due.</p> <p>24 Q. Okay. And that was a document that was</p> <p>25 generated by the AS/400.</p>	<p>1 A. "On description type check & stock name"?</p> <p>2 I'm not sure how the girls did that. As far as</p> <p>3 punching it into the computer? When they had to do it</p> <p>4 manually they would -- they had a program that opened</p> <p>5 up that asked them for a date, account number, and</p> <p>6 amounts and a description. On that description they</p> <p>7 would put, like -- where was it here? "Check Pep</p> <p>8 Boys." So when they had to do it manually they had to</p> <p>9 put that in. When this became automatic the computer</p> <p>10 did it for them.</p> <p>11 Q. And then going down to -- underneath that</p> <p>12 where it says -- I'm sorry -- "pinks - dividend and</p> <p>13 interest are always PW," what does that mean?</p> <p>14 A. I don't know why it says "pinks." I really</p> <p>15 don't remember that. I have to think about that for a</p> <p>16 minute. But there were accounts that just we held</p> <p>17 stocks and bonds for them, just like in safekeeping.</p> <p>18 Those were always considered profits</p> <p>19 withdrawn, because they were not being invested. That</p> <p>20 money was not being invested. That money was going</p> <p>21 out. So we used that code. It really was just to show</p> <p>22 that it wasn't capital that was going out. It was from</p> <p>23 a dividend or an interest payment.</p> <p>24 Q. Okay. And how often did you hold securities</p> <p>25 for customers?</p>

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<p style="text-align: right;">Page 138</p> <p>1 A. Not very often and not many accounts, but 2 there were a handful. 3 Q. Okay. And then CW, capital withdrawal, what 4 does that refer to? 5 A. When they requested a check for capital back, 6 we would put do a capital withdrawal for that check, 7 for that amount. 8 Q. And capital addition, CA? 9 A. That's when they sent a check in. That was 10 the code we used for capital addition. 11 Q. Then underneath that it says "PW - DT - CW 12 punch as (field +) debits." 13 A. I have no idea. That's strictly for the 14 computer girls. That's how they had to enter it I 15 guess. I don't know what it means. 16 Q. Based on your understanding, were PWs and CWs 17 debits to customer accounts? 18 A. PWs and CWs were debits; correct. 19 Q. Was a CA, capital addition, a credit to a 20 customer account? 21 A. Yes. Yes. 22 Q. If we can turn to the page ending 547. Do 23 you see under the first paragraph where it says "Key: 24 MEMO01." 25 A. "Key: MEMO01"? Okay.</p>	<p style="text-align: right;">Page 140</p> <p>1 A. It had to, yeah. 2 Q. Turning to page 550, ending in 550. And 3 what's the title of this page? 4 A. "Name and address file maintenance. Menu 5 namenu." N-A-M-E-N-U. That is the computer 6 terminology. 7 Q. And the name and address file maintenance 8 forms that we were looking at in the customer folders, 9 the information on that sheet was put into the AS/400; 10 correct? 11 A. Yes. 12 Q. And do you see under types on this page 13 ending on 550, number three, where it says "mailing 14 labels"? 15 A. Yes. 16 Q. It says, "use only line 1, 3, 4, and 5." 17 What are lines 1, 3, 4, and 5? 18 A. Can I look back? 19 Q. Sure. 20 A. Here. I got one. For the mailing label? 21 Why did we do this? I do remember this vaguely. Use 22 only 1, 3, 4, and 5. We did this here. 23 MS. BROWN: Let the record reflect the 24 witness is also referring to Trustee 73, page 25 ending in --</p>
<p style="text-align: right;">Page 139</p> <p>1 Q. Do you know what that refers to? 2 A. Let me see. I think this is also one of 3 those key punch instructions. I don't know what it 4 means. 5 Q. Okay. On the next part of the page down 6 where there's handwriting on the left-hand side, do you 7 know whose handwriting that is? 8 A. Here? 9 Q. Uh-huh. 10 A. Check name is a function of name and address. 11 No, I don't know whose handwriting that is. 12 Q. Do you know what that notation means? 13 A. No. Well, I mean they -- once you put a 14 number in, the computer knows to go to the account 15 number and pull the name and address off the account 16 maintenance sheet. So that's what it means. Why they 17 have to write this there, I couldn't tell you. 18 Q. So based on your understanding, the checks 19 were generated from the AS/400; correct? 20 A. Correct. 21 Q. The checks were made payable to the customer 22 whose account it was being created for? 23 A. Correct. 24 Q. And so the payee on the check would match the 25 customer name information?</p>	<p style="text-align: right;">Page 141</p> <p>1 MR. RIOPELLE: 57. 2 A. The second line was for a continuation in the 3 title. So when we did a mailing label we didn't need 4 the title, the whole title, but we needed the address. 5 So that's probably why it said that. 6 Q. So lines 1, 3, 4 and 5, looking at the manual 7 on page 550, that information corresponds to the 8 name/address file maintenance sheets, like the one that 9 we're looking at in Trustee Exhibit 73? 10 A. Say that again? I'm sorry. 11 Q. The name/address information on lines 1, 3, 4 12 and 5 -- 13 A. Right. 14 Q. -- correspond to the name and address file 15 maintenance form lines 1, 2, 3, 4, and 5. 16 A. They do, yes. 17 Q. The information that's on the name/address 18 file maintenance sheet -- 19 A. Right. 20 Q. -- would correspond to what's in the AS/400 21 lines 1, 2, 3, 4, 5. 22 A. Exactly. Sometimes someone didn't want mail 23 at their house, like -- or maybe a parent set up an 24 account for one of the children. So they would want 25 the information sent to them rather than -- the name on</p>

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<p>1 the account. So based on this code up here, the actual 2 name and address or the duplicates, that's how they 3 would set it up. That's what all this is about. 4 Q. When you say "all this," are you referring to 5 the mailing labels? 6 A. Yes. 7 MS. BROWN: Let's go off the record. 8 (Luncheon recess taken 9 from 11:47 a.m. to 12:22 p.m.) 10 BY MS. BROWN: 11 Q. Miss Bongiorno, BLMIS sent monthly statements 12 to its customers; correct? 13 A. Correct. 14 Q. What was the purpose of those statements? 15 A. To show them exactly what was happening in 16 their account during that past month. 17 Q. And what information did the statements 18 contain? 19 A. Everything. Buys, sells, debit or credit 20 memos, checks received or sent out, balances, open 21 positions. 22 Q. The BLMIS customers deposited cash with 23 BLMIS? 24 A. Correct. 25 Q. BLMIS customers withdrew cash from BLMIS?</p>	<p>1 another check. 2 Q. And those transactions would be reflected on 3 the customer statement? 4 A. Yes, it would. 5 MS. BROWN: I have no further questions. 6 Thank you. 7 THE WITNESS: Great. 8 MS. CHAITMAN: Here's the situation. I 9 can't finish by 3:00 today. So I think that 10 probably it makes sense for me to do it all 11 at once. So I think we just sort of figure 12 out a date when we can come back. 13 MS. BROWN: He said we can go to 3:15, 14 so you have almost three hours. 15 MR. DEXTER: What time is it? 16 MS. BROWN: 12:25. 17 MS. CHAITMAN: It's 12:20. I would 18 rather do it all at one time. 19 MS. BROWN: I understand, but we've -- 20 we're here. Everyone is here. 21 MS. CHAITMAN: I would just rather do it 22 all at one time. I think it's easier than 23 breaking it up. 24 MS. BROWN: I think we should press 25 ahead today. You have almost as much time as</p>
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<p>1 A. Yes. Correct. 2 Q. And those cash transactions were reflected on 3 the customers' statements; correct? 4 A. Correct. 5 Q. And those cash transactions reflected on the 6 customer statements were accurate; correct? 7 A. Yes. 8 Q. If the cash transactions on the statements 9 were not accurate, would you expect to hear from a 10 customer? 11 A. Yes. 12 Q. And how would you hear from them? 13 A. Well, by phone, probably, first of all, and 14 then followup letter. 15 Q. And what would happen after you heard from 16 them? 17 A. Well, like before I told you about the case 18 with somebody was missing a check, they would call up 19 and speak to -- they always asked for him first, but 20 end up with me, tell me why they were calling. If it 21 was because a check was missing, I would take the 22 information down. I would call the bank or have 23 somebody else call the bank. Make sure the check 24 didn't clear. If it cleared I'd get a copy of it. If 25 it didn't clear I'd put a stop payment on it and issue</p>	<p>1 I have. I started at 8:30. 2 MS. CHAITMAN: You went for four hours. 3 MS. BROWN: Three and a half with the 4 break. 5 MS. CHAITMAN: Let me just talk to Greg 6 a minute. 7 (Recess taken 12:25 p.m. to 12:31 p.m.) 8 * * * * * 9 CROSS EXAMINATION 10 BY MS. CHAITMAN: 11 Q. Miss Bongiorno, at some point in the course 12 of your employment by Mr. Madoff he set up an 13 investment account for you; didn't he? 14 A. Yes, he did. 15 Q. And when was that? 16 A. In the '70s I think. I don't remember dates. 17 Q. But how many years had you been working there 18 approximately at the time he did that? 19 A. Well, I started in '68; that I do remember. 20 So it would have to be at least maybe five, maybe 21 seven, maybe eight years later. I don't remember. 22 Q. Okay. And did he set up the account in your 23 name? 24 A. Yes. 25 Q. And with your social security number?</p>

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<p>1 A. Yes.</p> <p>2 Q. Okay. And from the beginning did he tell you</p> <p>3 to create the trades in your account?</p> <p>4 A. I never created a trade.</p> <p>5 Q. You never created a trade?</p> <p>6 A. No, I never created a trade.</p> <p>7 Q. So how -- how was the money in your account</p> <p>8 invested?</p> <p>9 A. How was it invested?</p> <p>10 Q. Yeah.</p> <p>11 A. They bought -- they would give me tickets</p> <p>12 that said I bought this or I sold that.</p> <p>13 Q. When you say that, to whom are you referring?</p> <p>14 A. Either Mr. Madoff or Mr. Kugel, somebody in</p> <p>15 the trading room.</p> <p>16 Q. Okay. So when the account was set up, do you</p> <p>17 recall how much money was invested in your account?</p> <p>18 A. Oh, maybe \$5,000, maybe four. I don't</p> <p>19 understand why you're asking me about my account.</p> <p>20 MS. BROWN: I don't know if this is</p> <p>21 actually really profit withdrawal.</p> <p>22 THE WITNESS: Yeah. I was told this was</p> <p>23 going to be about profit withdrawals.</p> <p>24 MS. CHAITMAN: It goes to your</p> <p>25 credibility. I have a right, no matter what</p>	<p>1 A. From 2008 -- until 2008?</p> <p>2 Q. Yeah.</p> <p>3 A. Yeah, it changed all the time. I mean, it</p> <p>4 changed when I got married. More money was put in, a</p> <p>5 lot more money. It changed from arbitrage, like</p> <p>6 everybody else's did. It went into some option</p> <p>7 accounts, just plain long position accounts. Yes, it</p> <p>8 did change.</p> <p>9 Q. But was it always a situation where</p> <p>10 Mr. Madoff or Mr. Kugel would give you the trade slips?</p> <p>11 A. No. They would tell me the names of the</p> <p>12 stocks, the amount of shares they had available, the</p> <p>13 dates, the prices, and I would break it down like I did</p> <p>14 for the other customers when I was doing arbitrage.</p> <p>15 Q. I want to take this chronologically. So you</p> <p>16 said sometime in the '70s, about five years after you</p> <p>17 came to the firm --</p> <p>18 A. Right.</p> <p>19 Q. -- Mr. Madoff said he was setting up an</p> <p>20 account for you?</p> <p>21 A. That's correct.</p> <p>22 Q. And your best recollection, it was -- it was</p> <p>23 approximately \$5,000?</p> <p>24 A. To my best recollection.</p> <p>25 Q. Okay.</p>
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<p>1 the subject is, to question you concerning</p> <p>2 your credibility.</p> <p>3 MR. RIOPELLE: You can answer the</p> <p>4 question.</p> <p>5 THE WITNESS: What was the question?</p> <p>6 MS. CHAITMAN: Can you read back my</p> <p>7 question, please.</p> <p>8 BY MS. CHAITMAN:</p> <p>9 Q. (Read by reporter). So when the account was</p> <p>10 set up, do you recall how much money was invested in</p> <p>11 your account?</p> <p>12 A. The original investment, I really don't</p> <p>13 recall. Maybe it was \$5,000, something like that.</p> <p>14 Q. So either Mr. Madoff or Mr. Kugel would give</p> <p>15 you slips --</p> <p>16 A. Uh-huh.</p> <p>17 Q. -- indicating the trades were done for your</p> <p>18 account?</p> <p>19 A. Right.</p> <p>20 Q. Then you would enter them into the statement?</p> <p>21 A. Yes; that's right.</p> <p>22 Q. You would enter it in; is that right?</p> <p>23 A. Into the computer.</p> <p>24 Q. And did that structure change at any point</p> <p>25 through 2008?</p>	<p>1 A. Maybe it was more or less. I don't know.</p> <p>2 Q. Okay. And then was there a significant</p> <p>3 increase in the account in the '70s, to the best of</p> <p>4 your recollection?</p> <p>5 A. In the '70s? Significant increase? I don't</p> <p>6 remember.</p> <p>7 Q. Okay.</p> <p>8 A. I don't remember.</p> <p>9 Q. All right. Now, when you talked about what</p> <p>10 your jobs were at Madoff, was there a point in time</p> <p>11 when you went from being a receptionist and kind of a</p> <p>12 secretary to actually working on the account</p> <p>13 statements?</p> <p>14 A. Yes.</p> <p>15 Q. And when was that?</p> <p>16 A. I don't remember the year, but I know when I</p> <p>17 first was hired there was another lady there that did</p> <p>18 all the P&S on his customer trades. He always did</p> <p>19 broker trades separately from customer trades.</p> <p>20 Different people handled it.</p> <p>21 He used to have me check her P&S and P&L.</p> <p>22 Then something happened, the market crashed or</p> <p>23 whatever. He let me go. I was let go for about maybe</p> <p>24 a little under a year. I was hired back when this</p> <p>25 woman -- Karen her name was -- was leaving because he</p>

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<p>1 knew that I already knew her job. That's when I 2 started really working with the customers, the customer 3 accounts. 4 Q. So what year was that? 5 A. Well, I think -- I don't think I was there 6 more than a couple of years before I got laid off. I 7 have to say again I don't remember years. I'm sorry. 8 I just don't. 9 Q. Okay. But if you started in '68 -- 10 A. Uh-huh. 11 Q. -- and you were there a couple of years and 12 then you were -- 13 A. I think it was a couple of years. I am not 14 sure. 15 Q. Okay. So it was approximately in the '70s 16 you stopped working and then you came back? 17 A. Approximately. 18 Q. Okay. And when you say you stopped working, 19 for what period of time did you stop working? 20 A. I believe it was under a year. 21 Q. Okay. So then you came back. And when you 22 came back, that was sometime -- it had to be in the 23 mid-'70s; right? 24 A. Or early '70s. I don't remember. 25 Q. Early '70s. And at that point you began</p>	<p>1 A. Excuse me? 2 MR. RIOPELLE: Just so you know, 3 Annette, there is an order that says we're 4 not going to talk about Jeffry Picower. 5 THE WITNESS: So, all the truth, nothing 6 but the truth, the whole truth, that doesn't 7 matter today. 8 MR. RIOPELLE: Except for Picower. 9 THE WITNESS: All righty. Thank you for 10 making that clear. 11 BY MS. CHAITMAN: 12 Q. I'm not asking you anything about Picower. 13 But the other people that -- whose accounts 14 you handled, Carl Shapiro? 15 A. Uh-huh. 16 Q. Yes? 17 A. Yes. 18 Q. Stanley Chais? 19 A. Yes. 20 Q. Norman Levy? 21 A. Yes. 22 Q. Is there anyone else? 23 A. Abe Hirschon, Saul Alpern, Avellino & Bienes. 24 I mean, there were hundreds of accounts. 25 Q. And with respect to those accounts, is it</p>
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<p>1 working with the accounts? 2 A. Yes. 3 Q. And what precisely did you do? 4 A. I kept track of all the confirms that were 5 coming out of the -- the tickets that were coming out 6 of the trading room. I typed them up. I mailed them 7 out. I did all the P&S on them. I did P&L. I typed 8 statements, mostly like all the clerical work on them. 9 Plus I answered the phones. Always answered the phones 10 for him whenever I worked there. 11 Q. Now, wasn't there a point in time when you 12 handled accounts for some of Mr. Madoff's close 13 customers? 14 A. Yes, always. 15 Q. Okay. And for whom did you handle those 16 accounts? 17 A. Customer names you want? 18 Q. Yes. Was it Stanley Chais? 19 A. Yes. 20 Q. Was it Norman Levy? 21 A. Yes. 22 Q. Okay. Was it -- 23 A. Jeffry Picower. 24 Q. Okay. I don't want you to discuss Jeffry 25 Picower.</p>	<p>1 fair to say that these were all people who had special 2 relationships with Mr. Madoff? 3 MS. BROWN: Objection. 4 MR. RIOPELLE: You can answer. 5 THE WITNESS: Yes. 6 BY MS. CHAITMAN: 7 Q. Okay. With respect to these accounts, did 8 Mr. Madoff tell you that so-and-so should have a return 9 of 25 percent a year, or 30 percent a year? 10 A. He told me, based on the year before, this is 11 approximately what these people were going to make. 12 Q. Okay. And was there a point in time when you 13 would have some of the people who worked for you get 14 the Bloomberg figures for stock purchases and sales for 15 the prior month and -- 16 A. Much, much later, yes. 17 Q. Let me just finish the question. 18 A. Sure. I'm sorry. Yeah. 19 Q. And you would create the statements? You 20 would create the stock transactions to generate those 21 returns? 22 A. Yes. 23 Q. Okay. And when did that point in time come? 24 A. Oh, when we were at 110 Wall. Oh, no, I'm 25 sorry, at 885 Third Avenue. That was towards the end.</p>

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<p>1 Q. But --</p> <p>2 A. At 885 Third Avenue, not at Wall Street or</p> <p>3 Broadway.</p> <p>4 Q. Okay. And what was the approximate year when</p> <p>5 you began to create statements to fit certain returns?</p> <p>6 A. I don't know. I don't know times.</p> <p>7 Q. Do you have any way of placing that time?</p> <p>8 A. No. Huh-uh.</p> <p>9 Q. Now, when you -- when you came to -- is it --</p> <p>10 do you think it's correct that by the late 1970s you</p> <p>11 were at 885 Third Avenue?</p> <p>12 A. By the late '70s? I don't know. I don't</p> <p>13 know. Well, I got married in '81 and I was already</p> <p>14 there. So, yeah, that's possible.</p> <p>15 Q. Okay. So by 1981 we can safely say you were</p> <p>16 at 885 Third Avenue?</p> <p>17 A. Right.</p> <p>18 Q. And at that point in time you were generating</p> <p>19 statements for --</p> <p>20 A. I didn't generate the statements. I was</p> <p>21 given trades. The trades went on the statements. So</p> <p>22 when you said I created them, they were on the</p> <p>23 statements. I put them on the statements, but they</p> <p>24 were trades that came out of the trading room.</p> <p>25 I'm not sure that I understand your question.</p>	<p>1 what you should do.</p> <p>2 Q. So he would come in and say -- this would be</p> <p>3 in writing or would he give you --</p> <p>4 A. Sometimes it was on notes. We kept tons of</p> <p>5 notes. Sometimes it was just over the phone. Just,</p> <p>6 you know, told to me over the phone.</p> <p>7 Q. So he would say -- if we take the, say,</p> <p>8 1970 -- 1981.</p> <p>9 A. Uh-huh.</p> <p>10 Q. You're at 885 Third Avenue. How many</p> <p>11 different customers were you responsible for the</p> <p>12 monthly account statements?</p> <p>13 A. Well, see, in '81 we were still doing</p> <p>14 arbitrage. I was still getting tickets from David</p> <p>15 Kugel that went into these accounts, all of these</p> <p>16 accounts, including Carl and including the account</p> <p>17 names you showed me today, and including Chais. I was</p> <p>18 getting tickets from David Kugel for those accounts,</p> <p>19 and that's how those accounts were running.</p> <p>20 Later on when they stopped doing arbitrage</p> <p>21 and they started doing option accounts, that's when the</p> <p>22 other accounts -- and I don't believe any of the names</p> <p>23 today had any -- but the accounts that you named</p> <p>24 started doing these long positions. He just bought</p> <p>25 long positions. He told me what to buy, what day to</p>
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<p>1 And the word "creates" scares me a little bit.</p> <p>2 Q. Okay. This is why we're having a deposition.</p> <p>3 I just want to understand what the facts are.</p> <p>4 A. Okay.</p> <p>5 Q. Was there a point in time when Mr. Madoff</p> <p>6 would say to you -- let's just use Carl Shapiro as an</p> <p>7 example. I'm not saying this specifically happened --</p> <p>8 I want Carl Shapiro to earn 60 percent on this account</p> <p>9 for the month of X.</p> <p>10 A. He did that for every account, Carl, Blecker,</p> <p>11 every account. He gave me a percentage that he</p> <p>12 expected them to receive during that year.</p> <p>13 Q. Okay. And did he -- did you then have the</p> <p>14 people who work for you get the prior month's quotes,</p> <p>15 and you would put together what the stock transactions</p> <p>16 were in order to generate those returns?</p> <p>17 A. Yes.</p> <p>18 Q. Okay. And --</p> <p>19 A. Based on the fact that I was given a certain</p> <p>20 parameter of what he said he bought and sold every</p> <p>21 month. So if he said he bought and sold 20 percent of</p> <p>22 the market in IBM, I was allowed to go ahead and use</p> <p>23 that for these customers. So it wasn't just pulled out</p> <p>24 of the air and created. It was told to me. This is</p> <p>25 what you could use, this is the parameters, and this is</p>	<p>1 buy, and what percentage to buy.</p> <p>2 And so I think that's what you're getting at.</p> <p>3 I think that's what you're asking me, when did I start</p> <p>4 doing that; correct? Because before that the tickets</p> <p>5 came out of the trading room from Davis Kugel.</p> <p>6 Q. I want to take it slowly, because we're</p> <p>7 bunching things together and it's not clear.</p> <p>8 A. Because your question is not -- your question</p> <p>9 is not for my whole career; your question is for a</p> <p>10 certain time frame. And that's the end of the career,</p> <p>11 not the beginning of the career.</p> <p>12 Q. Okay. So if we -- if we take the period --</p> <p>13 we're starting in 1981, when you got to 885 Third</p> <p>14 Avenue.</p> <p>15 A. Right.</p> <p>16 Q. At that point in time, were you responsible</p> <p>17 for a hundred percent of Mr. Madoff's investment</p> <p>18 advisory customers?</p> <p>19 A. What do you know by "responsible"?</p> <p>20 Q. Were you generating the statements for</p> <p>21 100 percent of the customers?</p> <p>22 A. See, that's where I don't understand. I</p> <p>23 wasn't -- you touch the button on the computer and the</p> <p>24 statements came out. I don't think that's what you</p> <p>25 want to know. I was not the one that touched the</p>

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1 button on the computer that created the statements.

2 If you're asking about the trading, in the
3 early years at 885 Third the tickets came -- the buy
4 and sells came out of the trading room. Were given to
5 me. I put them on these individual papers and handed
6 them to the girls in the computer room who typed. They
7 typed them into the computer.

8 We got confirmations out. We got memos. We
9 got checks. And then at the end of the month we got a
10 statement. So I didn't create those statements; the
11 computer did.

12 Am I making sense? I don't understand how --
13 the question.

14 MR. RIOPELLE: I think so. You're doing
15 okay.

16 THE WITNESS: I didn't create anything.

17 MR. RIOPELLE: Give your best answer.

18 That's all.

19 BY MS. CHAITMAN:

20 Q. Okay. So are you putting in the same
21 category people like Aaron Blecker, whom you never met,
22 and someone like Carl Shapiro or Norman Levy, who were
23 close friends of Mr. Madoff?

24 A. I am not putting anybody in any category. I
25 am taking instructions from Bernie Madoff what to do

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1 THE WITNESS: I am.

2 MR. RIOPELLE: Okay. Then that's your
3 answer.

4 THE WITNESS: I don't remember dates.

5 BY MS. CHAITMAN:

6 Q. In the first time period, we're starting with
7 1981, when you got to 885 Third Avenue.

8 A. I don't know that we got there in '81, but
9 approximately in 1981. We might have been there four
10 years already. I don't remember the dates.

11 Q. Okay.

12 A. Back when we first got to 885 Third Avenue,
13 the customers were still in arbitrage accounts. All
14 the tickets were coming out of the trading room.
15 That's the answer.

16 Q. For all of the customers?

17 A. All the customers.

18 Q. So you weren't -- you weren't creating the
19 trades. It was all coming from the trading room.

20 A. Exactly.

21 Q. Okay. And at that point of time, to the best
22 of your knowledge, were the trades actual trades?

23 A. Yes.

24 Q. And how do you know that?

25 A. I just thought they were. I just believed it

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1 with them. I did not categorize these people. They
2 are just customers to me. They're nobody to me.

3 Mr. Madoff is telling me: This person should
4 see about this. This person should see about this
5 return. This person is going to see about that. This
6 one is a reinvest. This one is a send. I'm getting
7 that information from Bernie Madoff. I'm not deciding
8 that.

9 Q. So Mr. Madoff would give you tickets? Is
10 that what you're saying? Either David Kugel or
11 Mr. Madoff would give you tickets; is that right?

12 A. At what time? At what time period?

13 Q. I want to focus on --

14 A. It's all different.

15 Q. Let's take the first time period. Give me
16 the dates of the first time period.

17 A. I don't know all the dates.

18 Q. I'm starting with 1981.

19 THE WITNESS: Roland, I'm not -- I'm not
20 doing this. It just doesn't make sense to
21 me.

22 MR. RIOPELLE: Just do your best.

23 THE WITNESS: I don't remember dates.

24 MR. RIOPELLE: Then say "I don't
25 remember."

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1 when I was told that they were. I mean, I don't know.
2 I just thought that they were.

3 Q. Okay. And you thought that the trades in
4 your account were actual trades?

5 A. Yes, I did.

6 Q. Okay. Did there come a time when you focused
7 all of your time on the special accounts of people like
8 Norman Levy and Carl Shapiro? When did that happen?

9 MS. BROWN: Objection.

10 You can answer.

11 THE WITNESS: I can answer? Oh.

12 A. When the arbitrage accounts started dwindling
13 down and he opened option accounts, he transferred
14 certain people into options, including the Chaises and
15 all these other people that you mentioned. They all
16 went into options. But some of the money remains in
17 what we call the long position accounts.

18 The ones that went into options, I mean,
19 every one of them had an option account, but not every
20 one of them had a long position account. So I guess
21 that's the answer.

22 Q. Well, you testified on direct this morning
23 that you didn't handle the accounts that -- the
24 statements that you were looking at.

25 MS. BROWN: Objection.

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1 Q. That these were handled by Jodi and by Frank.
2 MS. BROWN: Objection.
3 A. Some of the things I saw this morning were
4 not from my side of the office. It was from Joann or
5 Jodi's or Frank's side of the office. That's correct.
6 Q. Okay. And how did that break down? Was that
7 a question of the time period, or was it a question of
8 the type of the account?
9 A. You know, it just kind of like happened.
10 After Frank started working there, a couple years later
11 they started doing these option trades. Some money,
12 some accounts went into option trading. But we were
13 still doing arbitrage. I was still getting tickets all
14 the time from the computer room.
15 But then over a period of time the arbitrage
16 has dwindled down. More options were being done on
17 Frank's side of the office. He started doing these
18 long position accounts that had T bills and all sorts
19 of other stock in it for certain people.
20 It didn't happen all at once, one special
21 time. And it didn't happen for any particular reason.
22 It just started happening slowly. I don't know his
23 reason for doing it. And I can't give you a year that
24 it was done, because it wasn't all done at once. It
25 wasn't one year that's major to me.

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1 not my handwriting. They were not my accounts. It was
2 still arbitrage. I didn't do it at that time.
3 Whatever year that was, I wasn't doing it then.
4 Q. Okay. So what was the point in time? You
5 said that at some point in time you would have the
6 girls who worked for you get you the Bloomberg quotes
7 for the prior month and you would create transactions;
8 right?
9 MS. BROWN: Objection. When was that
10 testimony about Bloomberg?
11 A. Yeah. That was never mentioned this morning.
12 Q. It was in your criminal trial.
13 MS. BROWN: That was not here today.
14 MS. CHAITMAN: I know, but --
15 MS. BROWN: I know, but I'm just saying
16 it mischaracterizes the record. She didn't
17 testify to that today.
18 BY MS. CHAITMAN:
19 Q. When did that begin to happen?
20 A. Can I talk to my lawyer privately?
21 Q. Of course. Of course.
22 MR. DEXTER: Can they --
23 A. Well, I want to find out what my rights are.
24 I feel like I'm being assaulted right now, for lack of
25 a better word. I do. I feel like my criminality is

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1 Q. Well, when you testified this morning that
2 these were accounts that you didn't handle on some of
3 the statements --
4 MS. BROWN: Objection.
5 A. Because they were arbitrage accounts. At
6 that point I was not doing arbitrage accounts anymore.
7 Q. When did you stop doing arbitrage accounts?
8 A. I don't remember. I don't remember what year
9 I stopped doing it.
10 Q. Well, but when --
11 A. At this point we had a much bigger
12 department. And I was doing a lot of other things. I
13 was doing more letters. I was taking more calls. I
14 was managing a department, keeping track of sick days
15 and vacation days and attendance and overtime. And
16 there was opening new accounts.
17 But I don't remember exactly when. It just
18 happened. It just, you know, changed.
19 Q. Well, when you looked at statements this
20 morning -- and the record will reflect when that was --
21 you were saying that you didn't handle these accounts
22 at this point in time.
23 MS. BROWN: Objection.
24 MR. RIOPELLE: You can answer.
25 A. At the point that -- what she showed me was

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1 being exposed rather than what I agreed to do today,
2 and I think that that's wrong.
3 Q. Well, this is the problem, Miss Bongiorno.
4 A. I'm not comfortable with it.
5 Q. I understand that. But when you testify your
6 credibility becomes an issue. I have an absolute right
7 to question you as to issues which relate to your
8 credibility, and that's what I'm doing now. And I have
9 a right to do that.
10 MR. RIOPELLE: I think you just answer
11 her questions.
12 THE WITNESS: I don't know all the
13 answers.
14 MR. RIOPELLE: Tell her you don't know
15 the answer. If that's -- if the correct
16 answer is "I don't know the answer to that,"
17 that's the correct answer.
18 A. All right. I don't know the answer to when I
19 did less -- when the arbitrage stopped in my area and
20 went to Joann's and when Frank took over. I don't know
21 the dates. I don't know the timing on that. I don't
22 know.
23 When did we start looking at Bloomberg? At
24 the point when Bernie said I want to do -- I did 10
25 percent of the trading on this day. I want you to put

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<p>1 them into these five accounts. Give them 20 percent 2 each, or give them 10 percent each or whatever. That's 3 when -- that's what I was doing at that point. 4 And when I was downstairs he sometimes gave 5 me sheets that said 20 percent of IBM's volume on such 6 and such a date. But when we went upstairs it wasn't 7 convenient for him to go up and down with all the 8 stuff, so he just verbally gave it to me. And I would 9 write it down, IBM for Stan Chais, IBM for whoever. I 10 would write it down. 11 Then I would go to the Bloomberg and look up 12 the date and do it for the price range that it was on 13 that date. When did that start? I'm sorry. I don't 14 know. 15 Q. But you were doing that in order to create a 16 specific return; right? 17 A. Well, what would happen was, through the 18 portfolio we would watch what the return was, because 19 the portfolio would tell us. And if they were going -- 20 if he felt that the market was going down -- I'm just 21 using IBM as an example -- he'd call up and say, "Take 22 everybody out of IBM on" -- and he'd give me the dates. 23 I would go to the Bloomberg. Look up the IBM 24 on that date and put through the sales on that date. 25 He would say he sold it. I had to sell it on the</p>	<p>1 working for Mr. Madoff? 2 A. No. From the day I started working I would 3 get them right out of the trading room. But I would 4 never touch those tickets until all the broker 5 confirmations were out because he said the brokers -- 6 and this I remember from day one because he repeated it 7 over the years -- the brokers' statements or confirms, 8 whatever, had to be out the day the trades were made. 9 The customers didn't. We didn't have those kind of 10 rules and regulations for the customers. 11 So if I got to it that day, they would go out 12 that day. If I didn't get to it that day, they'd go 13 out as long as the month wasn't over yet. It was -- 14 everything was done as-of there. 15 Q. Miss Bongiorno, with respect to your account 16 at Madoff -- 17 A. Uh-huh. 18 Q. -- how did the appreciation in your account 19 occur? 20 A. The same way it occurred in every other 21 account. He would tell me when to go in, something to 22 come out of something, and that would be it. 23 Q. So Mr. Madoff would say to you, say, on 24 July 8th, "Take yourself out of IBM on June 16th." 25 A. No, he would not.</p>
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<p>1 customer side. 2 Q. Okay. Let me just understand. If I just 3 take a date, he would call you up on July 1st. 4 A. Right. 5 Q. And he would say, "Take Stanley Chais out of 6 IBM on June 16th." 7 A. He wouldn't say individual. He would say -- 8 if he was calling he would say take everybody out of 9 IBM. It wouldn't just be Stan Chais. It would be 10 whoever had it. 11 And it wouldn't be on that exact day. He 12 would tell me at month end: They went out of this on 13 July 3rd. He went out of this on July 4th, and 14 July 5th, and 10 percent on this day, and 20 percent on 15 that day. 16 It wasn't, like, given to me -- because what 17 I said at trial over and over -- that nobody ever 18 believed -- is every single trade that we ever put 19 through, whether it was arbitrage or option or long 20 positions, were all as-of, every single one of them, 21 as-of trades. 22 Q. What do you mean, an as-of trade? 23 A. Done way after the trade, the actual trade 24 itself. 25 Q. Are you saying from the day you started</p>	<p>1 Q. What would -- 2 A. It wouldn't just be myself. It would be 3 whatever customers were in it. 4 Q. Right. He would say for everybody. 5 A. Right. Right. 6 Q. And then you would do it? 7 A. And there was a trade that came up at trial, 8 a trade of a company that had closed, that the ticket 9 went through after the company was closed, but the date 10 on the ticket was before the company closed. Was it -- 11 what the heck was it? 12 MR. RIOPELLE: Worldcom. 13 THE WITNESS: My account? 14 MR. RIOPELLE: I think so. 15 THE WITNESS: I don't know. But because 16 everything was done as-of, everything was 17 always late. 18 BY MS. CHAITMAN: 19 Q. So I just want to be clear on something. Is 20 it your testimony that, so far as you knew, all of the 21 customer accounts from inception were always created 22 after the fact? 23 A. No. In the very beginning I would get 24 tickets every single day, but I didn't have to process 25 them. I processed the tickets. I didn't create them.</p>

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<p>1 So when you said "create," I got -- you know, I didn't 2 create anything. I processed what I was told to do. 3 That's what I did. I just processed it. 4 Q. So was there a point in time when you didn't 5 get trade tickets from the traders? Is that what 6 you're saying? 7 A. Yes, there was a point in time where I'd just 8 get information from Bernie. And the trades went 9 through based on his information. 10 Q. Okay. So is that the point in your mind when 11 the trading became fraudulent? 12 MS. BROWN: Objection. 13 MR. RIOPELLE: Was there ever a point 14 where you thought the trading was fraudulent? 15 THE WITNESS: Never. I never didn't 16 believe him. I believed him at all times. 17 BY MS. CHAITMAN: 18 Q. Okay. 19 A. Until I had my lawyer explain to me why this 20 doesn't work like that in the real world, I believed 21 that I was in the real world. 22 Q. Okay. 23 MS. BROWN: Are we going to bring this 24 back around to profit withdrawal soon? 25 MS. CHAITMAN: Yeah, as soon as I finish</p>	<p>1 MR. RIOPELLE: I think she testified 2 sometimes it was that high; sometimes it was 3 lower. It varied over time. 4 BY MS. CHAITMAN: 5 Q. Yeah. Let's just use 30 percent return. You 6 had 40 million in the account; right? 7 A. Right. 8 Q. So you would have had an income of 12 million 9 a year; right? 10 A. I don't know. I can't do the math. But if 11 you say so, I'll believe you. 12 Q. Yeah, it's about 12 million a year. 13 So you would have had taxes of about six 14 million a year; right? 15 A. No, not if it was unrealized. That 50 16 million was not realized. 17 Q. You weren't in the same kind of short-term -- 18 A. No, I was not. 19 Q. You were in long-term. 20 A. That's right. I paid my taxes every year. 21 Q. Okay. Now, you took money out of your 22 account -- 23 THE WITNESS: I don't like this. I'm 24 not comfortable with this. 25 MR. RIOPELLE: You're going to be fine.</p>
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<p>1 on -- 2 MS. BROWN: A lot of this is not really 3 related -- 4 MS. CHAITMAN: It goes to credibility. 5 MS. BROWN: I'm not seeing that 6 connection either, but so if we could -- 7 MS. CHAITMAN: It's not for you to see 8 the connection, but thank you. 9 BY MS. CHAITMAN: 10 Q. Your account had about \$50 million in it at 11 the end? 12 A. That's correct. 13 Q. And you were generating -- you were -- what 14 were the returns in your account? What was the 15 percentage return that was projected for you? 16 A. I want to say maybe 35 or 40 at one point. 17 They were made much lower at one point. It went up and 18 down, as did a lot of the accounts. They went up and 19 down over the course of the years. 20 Q. So let's say that your account was 40 21 million, not the top, 40 million, and you were 22 generating a 30 percent return a year; right? 23 A. I thought were you asking me about the 24 percentage. 25 Q. 30 percent.</p>	<p>1 Just answer the question. 2 BY MS. CHAITMAN: 3 Q. You took money out of your account; right? 4 A. Correct. 5 Q. At various times. What would -- 6 A. How does this add to my credibility though? 7 Q. It does. 8 MR. RIOPELLE: That will be for a judge 9 to decide some day. 10 BY MS. CHAITMAN: 11 Q. What did you do with that money that you took 12 out? Did you invest it someplace else? 13 A. I went out to eat. 14 Are you talking about my account? 15 Q. Yes. 16 A. My account? My money that I took out of my 17 account -- not my husband's, my account -- I bought 18 houses. I bought furniture, clothes, food, vacations, 19 stuff that you would buy. 20 Q. You also invested it with other investment 21 houses? 22 A. I only took money from my IRA, which he 23 didn't want me to have there anymore. I don't remember 24 why. And we put it into an account. It was a 401K at 25 another bank. I don't remember what the bank was right</p>

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<p>1 now. But I did not invest elsewhere, just with Madoff 2 or Cohmad, which was also a division of Madoff. And 3 actually that wasn't even me. That was my husband and 4 I together; right? That was joint. 5 MR. RIOPELLE: I can't answer the 6 question. 7 A. I never took money out to invest elsewhere. 8 That's the answer. 9 Q. Except for your IRA? 10 A. Except for my IRA. 11 Q. Where did you put your IRA? 12 A. I think it was Fidelity. 13 Q. And did you sit down with the person at 14 Fidelity and say I want to earn 20 percent or 15 30 percent or 40 percent? 16 A. No. 17 Q. Why not? 18 A. Well, I don't know. Is that what you do? 19 You tell them what you earn? Or they tell you what 20 they give you, like a bank, a regular bank. You go in 21 and they say, well, right now the interest is such and 22 such. Whatever they were going to give me, it was 23 going to be fine. 24 Q. Well, why was it different with Madoff? 25 A. I don't know why. And I didn't think of that</p>	<p>1 was. I can't remember. Yep. They sold what my 2 husband told them to sell. They bought what my husband 3 told them to buy. And that was -- I never thought one 4 way or the other about the return on it. I didn't have 5 to. I was making a great return where I was. 6 Q. And you said that your husband had an account 7 or more than one account with Madoff? 8 A. I'm not going to answer questions about my 9 husband. 10 Q. Are you -- 11 A. My husband's got nothing to do with Madoff. 12 I'm going to refuse to answer that question. 13 Q. Did he get favorable returns? 14 A. I'm not going to answer that question either. 15 That does not have anything to do with my credibility. 16 What he did with his account and his money is his 17 business. 18 Q. How many other Madoff employees received 19 accounts the way you did? 20 A. Anybody that wanted one got an account. 21 Q. And it was built up to \$50 million? 22 A. No, because they kept taking their money out. 23 I never took any money out except when I needed it to 24 buy whatever I needed to buy or pay for a bill. 25 Q. So how much did Mr. Madoff actually put into</p>
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<p>1 why. I don't know. I have no idea. 2 Q. So you never thought about the fact that 3 Madoff -- every customer had a projected return and you 4 would adhere to it pretty consistently. And yet, when 5 you were investing your own money through Fidelity, you 6 didn't feel you had the ability to do that? 7 A. No, I didn't. And probably because I thought 8 Fidelity was more like a bank, you know, and not like a 9 brokerage firm. You know, everything I knew about 10 brokerage firms I learned from Bernie Madoff. 11 Q. But Fidelity was investing your IRA and 12 securities -- 13 A. I didn't think like that. I thought of it as 14 a bank. I was putting money in a bank because I had to 15 take it out of Madoff. I don't even remember why. But 16 no, I didn't ask that question. I didn't think of it 17 that way, to be honest. 18 Q. So was the IRA invested in banks, as a bank 19 deposit? Or was it actually invested in securities? 20 A. We had securities. The IRA, I think, was 21 opened after Madoff closed. I think I got a check -- 22 did I have -- I don't even remember this. But it was 23 securities that were sent there originally, not cash. 24 Q. And they held on -- 25 A. That might have been what my Cohmad account</p>	<p>1 your account in order to build it up to 50 million? 2 A. I have no idea. You mean give me in cash? 3 Nothing. 4 Q. Well, how did it get to be \$50 million? 5 A. The stocks went up. 6 Q. What stocks were you holding? 7 A. Oh, I don't remember them all. I had a lot 8 of stocks. We bought over the years. I bought on 9 margin. 10 Q. You bought them on margin or he did? 11 A. He did for that account. That account was on 12 margin. 13 Q. To your knowledge, did any other Madoff 14 employee have that much money in a Madoff account? 15 A. At the end, no. 16 Q. Now, your deposition originally was held on 17 June 6, 2016. 18 Do you remember that? 19 A. Oh, last month. 20 Q. Yeah. And you took the Fifth Amendment at 21 that time; correct? 22 A. That's correct. 23 Q. You understand when you invoke the Fifth 24 Amendment it's because you are asserting your right not 25 to incriminate yourself; right?</p>

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<p>1 A. Right.</p> <p>2 Q. Because you felt that there was some threat</p> <p>3 of criminal prosecution; right?</p> <p>4 A. Is that the only reason why people take the</p> <p>5 Fifth?</p> <p>6 Q. Yes.</p> <p>7 A. Do they not take the Fifth because they don't</p> <p>8 feel like helping?</p> <p>9 Q. Is that what you understood it to be?</p> <p>10 A. Well, I just didn't want to be a part of it.</p> <p>11 I just didn't want to be involved in it anymore. I had</p> <p>12 enough of it.</p> <p>13 Q. When you took the Fifth on June 6th it wasn't</p> <p>14 because you felt that your testimony could result in</p> <p>15 your being criminally prosecuted; was it?</p> <p>16 A. No, because I didn't do anything else</p> <p>17 criminally to be prosecuted for.</p> <p>18 Q. So the only reason you took the Fifth was</p> <p>19 because your husband hadn't signed a settlement</p> <p>20 agreement yet; right?</p> <p>21 MS. BROWN: Objection.</p> <p>22 BY MS. CHAITMAN:</p> <p>23 Q. Isn't that true?</p> <p>24 A. Well, I was also uncomfortable. That was not</p> <p>25 the only reason.</p>	<p>1 charged for anything additional for this. And it's</p> <p>2 also part of what you said, part of, you know, being --</p> <p>3 being helped by Mr. Picard, my husband being helped by</p> <p>4 Mr. Picard.</p> <p>5 Q. Because Mr. Picard agreed that he could keep</p> <p>6 some of the money that you have.</p> <p>7 A. No. He's agreed to take the money from</p> <p>8 another source, I guess. I don't know how that works.</p> <p>9 Q. What do you mean?</p> <p>10 A. What do I mean? In other words, if we owe</p> <p>11 Mr. Picard money, Mr. Picard will take it from the</p> <p>12 settlement with the government and my husband.</p> <p>13 Q. Okay. There was a \$155 million judgment</p> <p>14 entered against you by the federal court; right?</p> <p>15 A. I don't know. I don't remember. I guess.</p> <p>16 Q. Okay.</p> <p>17 A. Billion, though, you're saying; right?</p> <p>18 Q. Excuse me. 155 billion.</p> <p>19 MS. CHAITMAN: Was it a billion?</p> <p>20 MR. RIOPELLE: Yes.</p> <p>21 MS. CHAITMAN: Excuse me.</p> <p>22 BY MS. CHAITMAN:</p> <p>23 Q. And the government had seized certain of your</p> <p>24 assets; isn't that right?</p> <p>25 A. That's correct.</p>
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<p>1 Q. What were the other reasons?</p> <p>2 A. Well, it was uncomfortable that something</p> <p>3 like this would happen. I feel like I'm being attacked</p> <p>4 by you. It might be the legal, correct thing to do,</p> <p>5 but that's the way you're making me feel. And I just</p> <p>6 didn't feel like I wanted to talk about it anymore.</p> <p>7 I mean, I've been on the stand. I've been</p> <p>8 found guilty. I'm here serving a sentence. I feel</p> <p>9 like I've done enough. I don't want to do any more.</p> <p>10 Q. Okay.</p> <p>11 A. But my lawyer said this is the right thing to</p> <p>12 do. So I'm back. But I don't want to be attacked</p> <p>13 either.</p> <p>14 Q. Okay. So when you took the Fifth Amendment</p> <p>15 on June 6th, it was because -- not that you felt you</p> <p>16 could be criminally prosecuted, it was because you</p> <p>17 didn't feel like testifying; right?</p> <p>18 A. Well, I asked my lawyer if anything could</p> <p>19 happen to me from this. Because I don't know the law,</p> <p>20 obviously, and I was concerned about that, that maybe</p> <p>21 something I'd say would bring on more charges or -- I</p> <p>22 don't know. Whatever.</p> <p>23 Q. What happened -- why didn't you invoke the</p> <p>24 Fifth Amendment today then?</p> <p>25 A. Because he's explained to me that I won't be</p>	<p>1 Q. And those assets included your husband's</p> <p>2 assets; right?</p> <p>3 A. Yes.</p> <p>4 Q. So it included the houses. It included</p> <p>5 investment accounts; right?</p> <p>6 A. Yes.</p> <p>7 Q. And all of that was being held in partial</p> <p>8 satisfaction of the \$155 billion judgment against you;</p> <p>9 right?</p> <p>10 A. That's right.</p> <p>11 Q. Okay. And then --</p> <p>12 A. Oh, excuse me. I don't know if that's right.</p> <p>13 It was held during the trial. It was held -- I thought</p> <p>14 so that I couldn't have the funds to run away or do</p> <p>15 whatever. I didn't know if it was held against the 165</p> <p>16 or 55 billion. No. I thought that once my trial was</p> <p>17 over, he would get back whatever he had to have frozen</p> <p>18 on him because of me.</p> <p>19 Q. But that didn't happen; right? It was still</p> <p>20 frozen as of June 6th?</p> <p>21 A. No. It didn't happen because they couldn't</p> <p>22 come to agreement; that's correct.</p> <p>23 Q. So there had to be an agreement; right?</p> <p>24 A. Uh-huh.</p> <p>25 Q. How much did your husband ultimately get</p>

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<p>1 back?</p> <p>2 A. I don't know.</p> <p>3 Q. You don't know how much?</p> <p>4 A. No, I don't know how much that is.</p> <p>5 Q. Well --</p> <p>6 A. I know it's a fraction of what he had there,</p> <p>7 but I don't know how much that is. I'm not sure.</p> <p>8 MS. CHAITMAN: Do we have extra copies</p> <p>9 of this?</p> <p>10 MR. DEXTER: We have.</p> <p>11 MS. CHAITMAN: Can we hand them out?</p> <p>12 MR. DEXTER: Sure.</p> <p>13 MS. CHAITMAN: Why don't we mark this.</p> <p>14 MS. BROWN: We're up to Exhibit 68.</p> <p>15 (Marked for identification</p> <p>16 as Bongiorno Exhibit No. 1)</p> <p>17 (Discussion off the record)</p> <p>18 BY MS. CHAITMAN:</p> <p>19 Q. Miss Bongiorno, we took a break and we've</p> <p>20 marked as Exhibit 1, Bongiorno Exhibit 1, the Amended</p> <p>21 Consent Preliminary Order of Forfeiture as to specific</p> <p>22 property/money judgment that was entered in your</p> <p>23 criminal case.</p> <p>24 Have you seen this document before?</p> <p>25 A. Some of it looked familiar. I mean, I</p>	<p>1 Q. And D is a TD Bank account?</p> <p>2 A. Uh-huh.</p> <p>3 Q. And E is an account -- another account at TD</p> <p>4 Bank. You see that?</p> <p>5 A. Uh-huh.</p> <p>6 Q. F is JP Morgan Chase Bank accounts.</p> <p>7 Do you see that?</p> <p>8 A. Yes.</p> <p>9 Q. And then G is --</p> <p>10 A. That's a joint one.</p> <p>11 Q. Okay.</p> <p>12 A. Yeah.</p> <p>13 Q. And G is New York Community Bank, Roslyn</p> <p>14 Savings Bank?</p> <p>15 A. That's right.</p> <p>16 Q. Then you had another bank account at Astoria</p> <p>17 Federal Savings and Loan?</p> <p>18 A. Right.</p> <p>19 Q. Then you had another one at Dime Savings</p> <p>20 Bank?</p> <p>21 A. Uh-huh.</p> <p>22 Q. Then you had the Fidelity account. That's</p> <p>23 the one you mentioned; right?</p> <p>24 A. Right. You notice they're all banks? Those</p> <p>25 are all banks that are mine.</p>
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<p>1 haven't looked over the whole thing. Some of it.</p> <p>2 Q. Take your time. I just want -- I want you to</p> <p>3 be sure this is a document you've seen before.</p> <p>4 A. I remember some of this. Like on page 3, I</p> <p>5 remember all of this, 3, 4, 5, 6.</p> <p>6 Q. Okay. So let's go through this. If we start</p> <p>7 on page 3 it recites that a forfeiture money judgment</p> <p>8 was entered against you in the amount of \$155 billion;</p> <p>9 right?</p> <p>10 A. Uh-huh.</p> <p>11 Q. Okay. Then it says that the -- it lists a</p> <p>12 number of assets that you have, starting with A, which</p> <p>13 says all funds on deposit in six different accounts in</p> <p>14 your name or your husband's name at CitiBank.</p> <p>15 A. That's all familiar to me, yeah.</p> <p>16 Q. And then Exhibit B, excuse me, subparagraph B</p> <p>17 is accounts at Smith Barney in your name and your</p> <p>18 husband's name; right?</p> <p>19 A. Uh-huh.</p> <p>20 MR. RIOPELLE: You have to answer out</p> <p>21 loud.</p> <p>22 A. Yes.</p> <p>23 Q. Exhibit C is an E*trade brokerage account in</p> <p>24 your husband's name?</p> <p>25 A. Right.</p>	<p>1 Q. Yeah. You put a lot of money in bank</p> <p>2 accounts.</p> <p>3 A. Not brokerage firms.</p> <p>4 Q. Right. Then there was a certificate of</p> <p>5 deposit at Apple; right?</p> <p>6 A. Right.</p> <p>7 Q. Then you had some money held by your</p> <p>8 attorney; right?</p> <p>9 A. Uh-huh.</p> <p>10 Q. Okay. And then you had real property in Boca</p> <p>11 Raton; right?</p> <p>12 A. Right.</p> <p>13 Q. And real property in Manhasset?</p> <p>14 A. Right.</p> <p>15 Q. And a Bentley, a Mercedes, another Mercedes.</p> <p>16 A. Uh-huh.</p> <p>17 Q. Then approximately 1.3 million that was held</p> <p>18 by Chicago Title.</p> <p>19 A. Right. Chicago Title. I don't remember what</p> <p>20 that is.</p> <p>21 Q. It's a reference to Unit 607. Is that --</p> <p>22 A. Oh. That was -- okay. Yes. I know what</p> <p>23 that is.</p> <p>24 Q. What is that?</p> <p>25 A. It's an apartment we were buying that ended</p>

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<p>1 up -- we had to cancel it.</p> <p>2 Q. Okay. And then you had money, about half a</p> <p>3 million dollars in HSBC. Do you see that?</p> <p>4 A. That's right.</p> <p>5 Q. And then you had money at Ameritrade?</p> <p>6 A. Right.</p> <p>7 Q. And then you had some money at CitiBank?</p> <p>8 A. Right.</p> <p>9 Q. And then SunTrust?</p> <p>10 A. Right.</p> <p>11 Q. And then you had an equity interest in Castle</p> <p>12 Arch Real Estate Company?</p> <p>13 A. That was the -- that's right.</p> <p>14 Q. What was that?</p> <p>15 A. That was something -- I don't know. My</p> <p>16 husband -- it was really -- I don't know why my name</p> <p>17 was on that. That was his thing. But okay.</p> <p>18 Q. Was it a real estate investment?</p> <p>19 A. Castle Arch? I don't even know what that</p> <p>20 was, to be honest with you. It was his baby. I don't</p> <p>21 think it's worth anything today. Is it? I don't know.</p> <p>22 Q. And then there was a -- you had a life</p> <p>23 insurance policy?</p> <p>24 A. Right.</p> <p>25 Q. And then you had a safety deposit box with</p>	<p>1 and your husband; right?</p> <p>2 A. Okay. I guess so.</p> <p>3 Q. And under the settlement agreement your</p> <p>4 husband got certain property back; right?</p> <p>5 A. I -- I'm not really sure what he's getting</p> <p>6 back, but --</p> <p>7 Q. Take a look at -- you signed this document;</p> <p>8 didn't you?</p> <p>9 A. Did I sign this document? I don't know.</p> <p>10 Q. Well, take a look.</p> <p>11 A. Okay. I signed the document. So yes, this</p> <p>12 is his thing. I didn't read it all, to be honest with</p> <p>13 you.</p> <p>14 Q. Okay. Your husband signed this, if you look</p> <p>15 at page 27, on June 20th.</p> <p>16 A. Okay.</p> <p>17 Q. Okay?</p> <p>18 A. Uh-huh.</p> <p>19 Q. And --</p> <p>20 MS. BROWN: Just want to point out for</p> <p>21 the record I think it's actually the 10th,</p> <p>22 because the judge signed it on the 14th.</p> <p>23 MS. CHAITMAN: Look at page 27. Maybe</p> <p>24 I'm misreading it, but it looks like --</p> <p>25 MS. BROWN: The copy you've given me</p>
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<p>1 jewelry in it?</p> <p>2 A. Right.</p> <p>3 Q. At Roslyn Savings Bank?</p> <p>4 A. Uh-huh.</p> <p>5 Q. You had one at TD Bank? You had a jewelry</p> <p>6 deposit box?</p> <p>7 A. Yes.</p> <p>8 Q. Then you had a bunch of watches; is that</p> <p>9 right?</p> <p>10 A. Right.</p> <p>11 Q. And the Trustee claimed that you were liable</p> <p>12 to the estate for about \$23 million; isn't that right?</p> <p>13 A. I don't remember, but --</p> <p>14 Q. Take a look at page 7. It's the third</p> <p>15 whereas.</p> <p>16 A. I was liable for \$23 million?</p> <p>17 Q. "The Trustee alleges that the Defendant,</p> <p>18 Annette Bongiorno, is liable to the BLMIS estate for</p> <p>19 the receipt of avoidable and recoverable transfers -- "</p> <p>20 A. I guess if he says so, yeah.</p> <p>21 Q. -- "the aggregate amount of 22,909,000."</p> <p>22 Do you see that?</p> <p>23 A. Uh-huh. Yeah.</p> <p>24 Q. Now, this was a settlement agreement that was</p> <p>25 entered into by the US Attorney and the Trustee and you</p>	<p>1 doesn't have page 27. It does look like the</p> <p>2 20th; I agree with you. But Judge Swain</p> <p>3 signed it on the 14th, and it was entered on</p> <p>4 the criminal docket on June 14th.</p> <p>5 MS. CHAITMAN: Okay.</p> <p>6 BY MS. CHAITMAN:</p> <p>7 Q. So it was signed by your husband after</p> <p>8 June 6th when you took the Fifth Amendment; right?</p> <p>9 A. I guess so. I guess so. Yes. That's what</p> <p>10 it looks like.</p> <p>11 Q. Okay. And pursuant to this agreement there</p> <p>12 were certain accounts that were released to your</p> <p>13 husband; right? And certain assets that were released</p> <p>14 to him?</p> <p>15 A. That will be, yes.</p> <p>16 Q. Right.</p> <p>17 A. I don't know if it was released yet or not.</p> <p>18 Q. Okay. And I just want to find the paragraph</p> <p>19 where they list the property that was released to your</p> <p>20 husband.</p> <p>21 MS. CHAITMAN: Do you see that paragraph</p> <p>22 where the stuff was released?</p> <p>23 Q. If you look on page -- beginning on page 9.</p> <p>24 A. Okay.</p> <p>25 Q. At the bottom of the page it says, "Whereas,</p>

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<p>1 for purposes of this settlement, the parties agree that 2 upon entry of a final order of forfeiture, the E*trade 3 account and SunTrust account shall be subdivided as 4 follows."</p> <p>5 Then it says, "Rudy Bongiorno shall retain 6 the shares of stock set forth in schedule A attached 7 hereto," the release stocks?</p> <p>8 A. I'm sorry. On page 9 it says that?</p> <p>9 MR. RIOPELLE: She is asking you about 10 what's at the bottom here.</p> <p>11 THE WITNESS: Okay, yeah. Shall be 12 subdivided. And Rudy shall retain shares. 13 Okay. What about it? What's the question?</p> <p>14 MR. RIOPELLE: Just that's what it says; 15 right?</p> <p>16 THE WITNESS: That's what it says.</p> <p>17 BY MS. CHAITMAN:</p> <p>18 Q. This agreement provides that your husband 19 gets to keep certain assets that the Trustee was 20 claiming; isn't that true?</p> <p>21 MS. BROWN: Objection.</p> <p>22 Q. Is that what you -- you didn't understand 23 that when you --</p> <p>24 A. Honestly, I didn't read this. I don't even 25 care about this. But -- so I'm not trying to be -- you</p>	<p>1 BY MS. CHAITMAN:</p> <p>2 Q. And it's about \$3 million worth of assets 3 that he's keeping; isn't that true?</p> <p>4 A. Yeah. I do know that.</p> <p>5 Q. And in return, you've agreed to cooperate 6 with the Trustee; isn't that true?</p> <p>7 A. Yes.</p> <p>8 Q. Okay. And your testimony is the way that 9 you're cooperating with the Trustee; isn't that true?</p> <p>10 A. That's correct. Honesty to both of you.</p> <p>11 Q. I'm sorry?</p> <p>12 A. To give my honest answer to both of you, all 13 of you.</p> <p>14 Q. Okay. And you understand that you're under 15 oath; right?</p> <p>16 A. Yes.</p> <p>17 Q. Now, you testified that Mr. Madoff would meet 18 with the customers when the accounts were set up.</p> <p>19 A. Uh-huh.</p> <p>20 Q. And that there would be an understanding as 21 to whether the profit withdrawals would be sent to the 22 customer?</p> <p>23 A. Correct.</p> <p>24 Q. And that that would then be communicated to 25 you by Mr. Madoff; is that right?</p>
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<p>1 know, I just didn't read it. They told me -- between 2 my husband and my lawyer said I can go ahead and sign 3 it, I signed it.</p> <p>4 I'm not a hundred percent sure what you're 5 getting at. I'm not a hundred percent sure of your 6 question. The only thing I do know that was explained 7 to me was what I said to you before, that we owe 8 Mr. Picard a certain amount of money. He will get that 9 money, but he will get it from the government and 10 that's all I, you know, that's all I know. How it 11 works, why it works, I don't know.</p> <p>12 Q. Okay. But this agreement says he doesn't get 13 it from the government. He gets it from stocks that 14 Mr. Picard is releasing to him; isn't that true?</p> <p>15 MS. BROWN: Objection.</p> <p>16 MR. RIOPELLE: I'm not sure what that 17 question means.</p> <p>18 Q. I don't know either. I thought the 19 government was holding the stock.</p> <p>20 MR. RIOPELLE: Just to cut to the chase, 21 do you understand that Rudy gets to keep some 22 of his stocks as a result of this agreement?</p> <p>23 THE WITNESS: Yeah. Yeah. That I -- 24 that I understand, yes. 25</p>	<p>1 A. That is correct.</p> <p>2 Q. Okay. And you testified that, to your 3 knowledge, Mr. Madoff did not require a writing from 4 the customer requesting the profit withdrawals at the 5 opening of the account?</p> <p>6 A. To my knowledge, no one put that in writing. 7 It was a verbal agreement.</p> <p>8 Q. Okay. Now, if Mr. Madoff testified to the 9 contrary, that is that in fact he required a writing at 10 the inception of the account from the customer --</p> <p>11 A. What's --</p> <p>12 Q. -- would you -- is it your -- would you say 13 that he was lying or that you just didn't understand?</p> <p>14 A. Mr. Madoff lie?</p> <p>15 MS. BROWN: Objection.</p> <p>16 THE REPORTER: I'm sorry --</p> <p>17 MS. BROWN: I said objection. She 18 said --</p> <p>19 THE WITNESS: Never mind.</p> <p>20 A. If he said -- you're asking -- the question 21 is that if he said they had to put it in writing, would 22 I call him a liar?</p> <p>23 Q. Yes.</p> <p>24 A. I don't think I'd call him a liar. But 25 that's not the way I understand it, and that's not the</p>

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<p>1 way I'm going to answer the question.</p> <p>2 Q. Okay. Well, were you present --</p> <p>3 A. Can I say one other thing?</p> <p>4 Q. Sure.</p> <p>5 A. There is no form in my memory that asks that</p> <p>6 question. So if he said that, maybe he's miss --</p> <p>7 forgot or whatever. I don't know. There's nothing</p> <p>8 that says do you want your check and the customer would</p> <p>9 check off yes or no.</p> <p>10 Q. And are you certain, under oath today, that</p> <p>11 you can testify that there were not letters in the</p> <p>12 files from inception of the accounts as to whether</p> <p>13 people wanted their profit withdrawals?</p> <p>14 A. No. What I testified is this: It wasn't</p> <p>15 procedure to have a letter in the account. I'm not</p> <p>16 saying you couldn't send a letter to me. There might</p> <p>17 be letters in the account, but that wasn't the way it</p> <p>18 was done.</p> <p>19 The way it was done was either by phone or by</p> <p>20 meeting with them. They would have an agreement and</p> <p>21 that would just be given to me, that information.</p> <p>22 There were times when somebody would get a check and</p> <p>23 call up and say: What is this check for?</p> <p>24 And I would say: Well, this check is your</p> <p>25 profit on such and such.</p>	<p>1 What time period are you talking about? At</p> <p>2 the very, very beginning, like in '68, '70, he was</p> <p>3 probably doing them all. But then many people were on</p> <p>4 the account. Over the course of my 40 years there,</p> <p>5 Irwin Lipkin used to sign. Tony Teletnick could sign.</p> <p>6 Dan Bonventre could sign. Enrica Cotellessa-Pitz could</p> <p>7 sign. Other people could sign the checks. I was</p> <p>8 listed as one that could sign, but I don't think I ever</p> <p>9 did.</p> <p>10 Q. But if the check appears to have Mr. Madoff's</p> <p>11 signature, was anyone authorized to forge his</p> <p>12 signature?</p> <p>13 A. His brother. Could have. Could have. I'm</p> <p>14 not saying he did, but he could have.</p> <p>15 Q. Well, to your knowledge, were any of the</p> <p>16 customer checks representing profit withdrawals signed</p> <p>17 by Mr. Madoff's brother?</p> <p>18 A. I -- I don't know. But he could have.</p> <p>19 Q. Well, when you say you don't know --</p> <p>20 A. I'm not sure who -- I really don't know. I</p> <p>21 didn't -- I didn't get the checks back after they were</p> <p>22 signed. I was never the one that mailed the checks</p> <p>23 out, so I don't know who signed the checks. At the</p> <p>24 point where there were five, six people signing checks,</p> <p>25 I don't know who signed it. I can't answer that.</p>
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<p>1 And they'd say: Well, I thought this check</p> <p>2 was going to remain there. I didn't want it.</p> <p>3 Well, then I would say: Well, speak to</p> <p>4 Mr. Madoff. That could be changed.</p> <p>5 But every account that he would say to me</p> <p>6 send a check out, I would put an S there. It did not</p> <p>7 have to be in writing. They could have put it in</p> <p>8 writing, but it didn't have to be put in writing.</p> <p>9 That's what I said this morning.</p> <p>10 Q. Okay. So if Mr. Madoff testified that he</p> <p>11 required something in writing from the inception of the</p> <p>12 account --</p> <p>13 A. I'd say he made a mistake.</p> <p>14 Q. Okay. But you weren't present when he had</p> <p>15 these initial interviews with the customers; were you?</p> <p>16 A. I wasn't. But he gave me every piece of</p> <p>17 paper he ever had about opening these accounts. So I'm</p> <p>18 comfortable with saying that.</p> <p>19 Q. Okay. Now, you testified that Mr. Madoff</p> <p>20 would sign all the checks, isn't that true, that would</p> <p>21 go to the customers?</p> <p>22 A. No.</p> <p>23 MS. BROWN: Objection.</p> <p>24 Q. Who signed the checks?</p> <p>25 A. That is not true.</p>	<p>1 Q. So someone in the office would bring up a</p> <p>2 batch of checks that were generated by the computer --</p> <p>3 A. Right.</p> <p>4 Q. -- representing the profit withdrawals.</p> <p>5 A. Right.</p> <p>6 Q. They would be brought up either to Mr. Madoff</p> <p>7 or to his brother?</p> <p>8 A. Or --</p> <p>9 Q. Or someone else.</p> <p>10 A. Depending on the time; right. Could have</p> <p>11 been anybody.</p> <p>12 Q. Okay. Then you never saw them. You</p> <p>13 didn't --</p> <p>14 A. I didn't get them back except maybe if it was</p> <p>15 my check.</p> <p>16 Q. Well, I assume you got your check; right?</p> <p>17 A. Well, yeah. That I would see after it's</p> <p>18 signed, but --</p> <p>19 Q. But you never saw any of the other checks?</p> <p>20 A. In the very early years, yes, because in the</p> <p>21 very early years I mailed them. But not later on.</p> <p>22 Q. When was the period when you stopped mailing</p> <p>23 them? Was it at --</p> <p>24 MR. RIOPELLE: Best approximation.</p> <p>25 A. I'm sorry.</p>

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<p>1 Q. -- 885 Third Avenue or when you were on Wall 2 Street? 3 A. Wall Street. 4 Q. So from the time you were on -- 5 A. Wall Street. 6 Q. From 1981 on, you had nothing to do with 7 mailing the checks? 8 A. Is that when we moved to Wall Street? '81? 9 MR. RIOPELLE: That's when you got 10 married. And when you got married you were 11 at 885 Third Avenue; right? 12 THE WITNESS: That's right. 13 MR. RIOPELLE: From at least that point 14 on -- 15 THE WITNESS: Maybe even earlier than 16 that, but yes. 17 BY MS. CHAITMAN: 18 Q. So you had nothing to do with the -- you 19 didn't -- 20 A. Mail them? No. 21 Q. You didn't mail the checks? 22 A. I did not. 23 Q. And was there a person, to your knowledge -- 24 and I'm only asking for your knowledge -- 25 A. Uh-huh.</p>	<p>1 responsible for that. 2 Q. Do you know -- don't guess. Because if you 3 don't know, just say you don't know. 4 A. Okay. 5 Q. It doesn't help anyone for you to be guessing 6 because it just clouds the record -- 7 A. Okay. 8 Q. -- with irrelevant information. 9 To your knowledge, was anyone responsible for 10 making sure that every single check that was delivered 11 to Mr. Madoff for his signature was actually signed by 12 him and returned to the person who had to bring it to 13 the mail room? 14 A. I'm sorry. I don't know how to answer that 15 question. 16 Q. Well, either you know or you don't know. 17 A. Give me the question again. 18 MS. CHAITMAN: Could you read it back 19 please, because it's -- all right. 20 BY MS. CHAITMAN: 21 Q. (Read by reporter). To your knowledge, was 22 anyone responsible for making sure that every single 23 check that was delivered to Mr. Madoff for his 24 signature was actually signed by him and returned to 25 the person who had to bring it to the mail room?</p>
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<p>1 Q. -- who was responsible when the checks came 2 back? Let's assume Mr. Madoff signed the checks. 3 A. Okay. 4 Q. When the pile of checks came back, it was, 5 what, several thousand checks, right, for the profit 6 withdrawals? 7 MS. BROWN: Objection. 8 A. No. Wrong. 9 Q. How many? 10 A. It wasn't several thousand checks every day. 11 You're talking on a daily basis? 12 Q. Not on a daily basis, but when the profit 13 withdrawal checks went out. 14 A. I can't answer that. I have no idea how many 15 checks went out. I never counted them. 16 Q. Okay. Was there anyone in the office who was 17 responsible, to your knowledge, to make sure that every 18 single check that was delivered to Mr. Madoff was 19 signed by him and returned to someone to be mailed? 20 A. I guess whoever would bring them to him would 21 be the one that picked them up and brought them back 22 and gave them to the mail room to sign them -- to mail 23 them out. 24 Q. Okay. 25 A. I don't know that there was one individual</p>	<p>1 A. One person all the time? No. To my 2 knowledge, I don't know of anybody that did that. 3 Could have been, but I don't know of anybody. 4 Q. Okay. Now, if you could take a look at 5 Trustee Exhibit 49. This is the house manual. What's 6 easier -- I'm going to change exhibits. If you go to 7 Exhibit 61. 8 MR. RIOPELLE: That's the big one; isn't 9 it? 10 Q. Looking at page 1655, when were you 11 questioned about this -- 12 MR. RIOPELLE: That's 56. 13 Q. -- by Miss Brown -- 14 A. Yes. 15 Q. -- you testified that this book is dated 16 about 1991 and that you did not work with arbitrage 17 accounts during this period. 18 A. That was correct. 19 Q. Okay. 20 A. I don't think I testified about the year, 21 because there's no year on here. Oh, we compared it to 22 a statement. Yes, you're right. Yes. 23 Q. You said that as of about 1991 you were not 24 doing arbitrage accounts. 25 A. That's right.</p>

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<p>1 Q. Okay. So when, to the best of your 2 recollection, did you stop doing arbitrage accounts? 3 If you knew it wasn't 1991, when did you stop doing 4 arbitrage accounts? 5 A. I don't know. If you show me one of these 6 for 1989 I could tell you. 7 Q. How would you know? 8 A. Because from the handwriting. Because when I 9 was doing it, I was writing these checks down the way 10 Joann or Francine is doing it here. 11 Q. Okay. So because your handwriting is not in 12 this book, you were no longer doing arbitrage. 13 A. Correct. 14 MS. BROWN: Objection. 15 MR. RIOPELLE: I think she does have 16 some handwritten entries in here. That's 17 probably the reason that -- 18 THE WITNESS: We're talking about 19 arbitrage only, though; right? 20 MR. RIOPELLE: You don't have entries 21 for arbitrage trades in this book. 22 THE WITNESS: No. 23 MR. RIOPELLE: You have handwriting in 24 here. 25 THE WITNESS: I might have, but I was</p>	<p>1 A. Usually. Yes, if they could. Yes. 2 Q. And then you said that there was a time when 3 Mr. Madoff insisted that everyone take their profits 4 out. 5 A. Right. 6 Q. And when was that time? 7 A. I don't remember. But it was almost towards 8 the end of the arbitrage era because he told me that 9 because they were harder to find, the situations were 10 harder to find, he didn't want to keep -- open any new 11 moneys, put in any new accounts in arbitrage. He 12 didn't want to add any moneys to what he already had 13 working in arbitrage. So he wanted all the profits to 14 go out at that point. 15 Even the people that had asked to have them 16 reinvested he would say no, not at that point. When 17 they turned over to options maybe their account changed 18 again, but there was a certain point where he just 19 stopped doing that. 20 Q. So are you saying that he wanted to stop 21 doing arbitrage? 22 A. I'm saying that what he explained to me was 23 that the arbitrage situations were harder to find, so 24 he didn't want to add to it. He didn't want to add to 25 the money he was already investing in arbitrage.</p>
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<p>1 looking at things -- that's right. But I was 2 looking at arbitrage trades for -- 3 MR. RIOPELLE: Right. 4 THE WITNESS: -- that date that she gave 5 me. And that was not my handwriting, which 6 tells me I wasn't doing them then. 7 MR. RIOPELLE: Right. 8 BY MS. CHAITMAN: 9 Q. So you have no recollection. You would just 10 have to look at the actual book to see if your 11 handwriting appears with respect to arbitrage 12 transactions? 13 A. I'd have to see something that would, you 14 know, make sense to me. Like looking at this book, it 15 makes sense that I wasn't doing it then. 16 Q. Okay. Okay. 17 Now, you testified that the customer would 18 meet with Mr. Madoff and they would decide whether the 19 customer would take the profits out; right? 20 A. I testified that they would either meet or 21 talk on the phone and that that decision was made 22 before the account was opened. 23 Q. Okay. And I think you also testified that 24 the customers would usually come in to meet with 25 Mr. Madoff when they opened their accounts?</p>	<p>1 That's what I understood. That's what he told me. 2 Q. Okay. So was it your understanding that, 3 with respect to the arbitrage accounts, that those were 4 actual trades that he was doing, that those were real 5 transactions? 6 A. Yes. 7 Q. Do you have any reason to believe that when 8 he was doing the arbitrage trading that the 9 transactions reflected on the statements were not 10 accurate transactions? 11 A. No. I believe they were accurate 12 transactions. 13 Q. And what's the basis of your belief? 14 A. Because he said so. I just believed him. I 15 believed him. I mean, I was working with him since I'm 16 20 years old. Everything I knew about the business he 17 taught me. Why would I question him? I don't even -- 18 I don't even -- to this day I don't even understand why 19 I would have questioned him. 20 Q. Now, Mr. DiPascali pled guilty. 21 A. Right. 22 Q. And he pled that the fraud began in the late 23 1980s or early 1990s. 24 A. Uh-huh. 25 Q. Is that consistent with your understanding?</p>

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<p>1 MS. BROWN: Objection.</p> <p>2 A. I never knew there was a fraud. I have no</p> <p>3 idea what he knew. He was a very, very smart man. And</p> <p>4 if he knew that back then, he never told me anything</p> <p>5 like that.</p> <p>6 So he -- he was very well educated, Frank.</p> <p>7 He was close to a genius in my eyes. If he picked up</p> <p>8 on that and he knew that back then, that's on him. He</p> <p>9 never told me that. And I -- I did not know that.</p> <p>10 Q. Well, you never knew that he pled that?</p> <p>11 A. I did know he pled that. I -- I was in</p> <p>12 trial. I heard the whole thing. But I didn't know it</p> <p>13 when -- when he realized that himself, he didn't come</p> <p>14 tell me, oh, Annette, by the way. That didn't happen.</p> <p>15 Q. Okay. Now if Mr. Madoff testified that the</p> <p>16 fraud began in 1992 --</p> <p>17 A. Uh-huh.</p> <p>18 Q. -- as opposed to in the late 1980s, do you</p> <p>19 have any information which would indicate to you which</p> <p>20 was more accurate, that it began in the late 1980s or</p> <p>21 early 1990s, or that it began in 1990s?</p> <p>22 MS. BROWN: Objection. I think this</p> <p>23 goes outside of the profit withdrawal</p> <p>24 statement, Miss Chaitman. Whether or not the</p> <p>25 trades were real or fake doesn't go to</p>	<p>1 to 5.</p> <p>2 MR. RIOPELLE: Maybe they're out of</p> <p>3 order.</p> <p>4 THE WITNESS: 334, 333. Okay. I got</p> <p>5 it.</p> <p>6 MR. RIOPELLE: She got it.</p> <p>7 BY MS. CHAITMAN:</p> <p>8 Q. You have a handwritten note at the top, dated</p> <p>9 as of 7/9/84. "Bernie said it's okay that he never</p> <p>10 returned tax forms."</p> <p>11 A. Uh-huh.</p> <p>12 Q. Wasn't it a requirement of the account</p> <p>13 that --</p> <p>14 A. Absolutely.</p> <p>15 Q. -- the tax forms be returned?</p> <p>16 A. Yes, ma'am.</p> <p>17 Q. And wasn't that a legal requirement --</p> <p>18 A. Yes, it was.</p> <p>19 Q. -- to have tax forms? So how could you not</p> <p>20 adhere to that requirement?</p> <p>21 A. Because he was moving to Mexico. I assumed</p> <p>22 he was going to become a Mexican citizen, or she,</p> <p>23 whoever this is. And he said it was okay. I figured</p> <p>24 he knew that it was okay. He was the boss. I said</p> <p>25 okay.</p>
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<p>1 anything that has to do with profit</p> <p>2 withdrawals.</p> <p>3 MS. CHAITMAN: Yes, it does.</p> <p>4 THE WITNESS: I don't know the answer to</p> <p>5 that anyway.</p> <p>6 BY MS. CHAITMAN:</p> <p>7 Q. You don't know the answer?</p> <p>8 A. No. Because I didn't know it was a fraud.</p> <p>9 THE WITNESS: I need a break.</p> <p>10 MR. RIOPELLE: Yeah, okay.</p> <p>11 (Recess taken 1:40 p.m. to 1:45 p.m.)</p> <p>12 BY MS. CHAITMAN:</p> <p>13 Q. If you would be good enough to look at</p> <p>14 Trustee Exhibit 23. And if you could go to the page</p> <p>15 which ends in 333.</p> <p>16 A. Which page?</p> <p>17 MR. RIOPELLE: 333.</p> <p>18 Q. 333.</p> <p>19 A. Okay.</p> <p>20 Q. Now --</p> <p>21 A. 335. I'm sorry. Where is 333?</p> <p>22 Q. 162333.</p> <p>23 MR. RIOPELLE: Must be sticking</p> <p>24 together.</p> <p>25 THE WITNESS: There is 2, then it goes</p>	<p>1 Same -- even for Mexico. Maybe he's not a US</p> <p>2 citizen. Maybe he doesn't have to pay taxes. Maybe</p> <p>3 it's a corporation or some kind of trust. They didn't</p> <p>4 have to return a tax form to me.</p> <p>5 There were a lot of -- there were a handful</p> <p>6 of exemptions to this tax form. So if he said it was</p> <p>7 okay, then I assumed Mr. or Miss Charat didn't have to</p> <p>8 return it. But I made a note for my records so that if</p> <p>9 it came back later he said to me where is the tax form,</p> <p>10 I'd say, well, you said you didn't need one.</p> <p>11 Q. Okay. But you didn't know that Charat was</p> <p>12 going to be a Mexican citizen or whatever. That is</p> <p>13 just conjecture on your part; right?</p> <p>14 A. That's correct. It could have been it was a</p> <p>15 corporation. It could have been any exemption. But I</p> <p>16 probably figured if he said it's okay, he knows the tax</p> <p>17 codes. I don't. Okay?</p> <p>18 Q. Well, he knows. You mean --</p> <p>19 A. Mr. Madoff, yeah, because he's the one that</p> <p>20 would make that decision, not me.</p> <p>21 Q. Okay. So you were just covering yourself,</p> <p>22 right, that it wasn't your decision.</p> <p>23 A. Covering that if Bernie came back to me and</p> <p>24 said to me why isn't the tax form in this file, I would</p> <p>25 say to him, well, you said we didn't need it. Yes.</p>

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<p>1 Q. Okay. And in fact, Mr. Madoff wanted you to 2 retain the records in the customer files; isn't that 3 true?</p> <p>4 A. Yes; that's true.</p> <p>5 Q. He was very specific about that, that if you 6 had letters from the customers they had to be 7 maintained in the files; isn't that true?</p> <p>8 MS. BROWN: Objection.</p> <p>9 A. I don't think he was very specific. He said 10 put them all in the file.</p> <p>11 Q. Okay. Was there ever a point in time when 12 any of the customer files were lost or there was a 13 decision made to discard documents in the files?</p> <p>14 A. I mean, this file, I would think not. But I 15 don't know. I can't answer that question. If there 16 was I don't know about it. Let me put it that way.</p> <p>17 Q. So from your -- to the best of your 18 knowledge --</p> <p>19 A. Uh-huh.</p> <p>20 Q. -- would -- when Mr. Picard was appointed 21 Trustee, would all of the customer files have been 22 intact?</p> <p>23 MS. BROWN: Objection.</p> <p>24 A. To the best of my knowledge, they should have 25 been, but I can't --</p>	<p>1 Q. How much of your time, in the period from 2 1981 on -- this is when you moved to -- after you got 3 married when you were living -- when you were working 4 at 885 Third Avenue -- how much of your time was spent 5 on the phone with customers?</p> <p>6 A. That varied. I mean, there were days that 7 the calls were heavy and there are days that I just got 8 a couple of calls.</p> <p>9 Q. Were the calls heavier after the customers 10 received their monthly statements?</p> <p>11 A. No. I don't think there was any one 12 particular time that were heavier than others.</p> <p>13 Q. How much of your time would you estimate was 14 spent dealing with customer phone calls?</p> <p>15 A. I don't know.</p> <p>16 Q. You can't estimate it?</p> <p>17 A. No, because every day was different. I can't 18 estimate it.</p> <p>19 Q. Okay. And you testified when Miss Brown was 20 questioning you about some times when people would call 21 up and say I didn't get a check or there was a mistake 22 or something.</p> <p>23 A. Uh-huh.</p> <p>24 Q. How often would people call you up and say, 25 look, I think there was a mistake on my account?</p>
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<p>1 Q. Can you think of any reason why they would 2 not have been?</p> <p>3 A. Yes, because files were pulled all the time 4 for people to look at things. Bernie could send up a 5 list or call me up. Have me make a list of files he 6 wanted to look at. I would pull them out and send them 7 down to him. They might not have been where they were 8 supposed to be.</p> <p>9 Maybe he took something out of the file that 10 he needed or whatever. You know, took things out to be 11 copied maybe. So, yeah. It -- they should have all 12 been there, but there are exceptions to that too.</p> <p>13 Q. Okay. Did you become aware at any time of 14 any significant documents missing from any customer 15 files?</p> <p>16 MS. BROWN: Objection.</p> <p>17 A. I don't remember anything being missing, 18 significant documents missing.</p> <p>19 Q. Any communications to the customer?</p> <p>20 A. No. They would call. I mean, if a customer 21 was missing something they would -- no. If I was 22 missing a tax form, I would call the customer and say: 23 You need to get that back to me. If -- the customer 24 wouldn't know what was missing. It was my file, not 25 theirs. I don't understand the question.</p>	<p>1 A. Not very often. Once in a while. Maybe -- 2 maybe -- I would just be guessing, so I don't want to 3 do that. But not very often at all. But I did get 4 those calls occasionally.</p> <p>5 Q. What was the procedure when you got them?</p> <p>6 A. Well, if it was a check that they said that 7 was missing, I would call the bank, make sure that the 8 check didn't clear. If the check didn't clear, I would 9 put a stop payment on it and send out another check.</p> <p>10 If the check cleared, I'd ask the bank to 11 send me a copy of the check, if I didn't have it 12 already back. And they'd send me a copy of the check 13 for me to send to the customer to show that it had been 14 cashed.</p> <p>15 Q. Okay. And can you remember any instances 16 where there were other kinds of mistakes that customers 17 called to your attention?</p> <p>18 A. Not mistakes. But people would call and say: 19 You know, I didn't get my statements. I'd send out a 20 duplicate copy. That, you know, that could happen. 21 Often? Not really. Maybe somebody was on vacation and 22 mail was, you know, when they got back, unorganized. 23 They couldn't find something right away. They'd call 24 and say can I get a copy, and we'd send a copy out. 25 But not too often, no.</p>

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<p>1 Q. And were the calls from customers divided 2 between you and Frank and Jodi, depending upon who that 3 customer was assigned to?</p> <p>4 A. That is correct. When I was doing the 5 arbitrage accounts, I got mostly every phone call. 6 When they started splitting up the accounts, Joann was 7 doing them. Frank was doing options. Then if a 8 customer called that had an option account, like this 9 person had an option account, we said -- he did? Yeah. 10 Then his call would never come to me. It would go 11 direct to Frank.</p> <p>12 The only way I get it is if Frank was out. 13 And all I would do is take a message for Frank.</p> <p>14 Q. And I believe you testified that you have no 15 recollection of ever speaking to Aaron Blecker.</p> <p>16 A. Aaron Blecker?</p> <p>17 Q. Aaron Blecker or Arthur Blecker.</p> <p>18 A. I won't say I never spoke to these people, 19 but I don't remember speaking to them at all.</p> <p>20 Q. Okay. Okay. Now, you testified that copies 21 of checks sent to customers were retained in hanging 22 folders in the mail room?</p> <p>23 A. Correct.</p> <p>24 Q. Okay. Now, tell me what a hanging folder is.</p> <p>25 A. They're little cardboard things with metal</p>	<p>1 the somewhere. Then in December they would bring those 2 manila envelopes up. Take the next six months out. 3 Put it in the envelopes. And send it to storage 4 somewhere also.</p> <p>5 Q. So are you saying that a copy of every check 6 that was sent to any customer was retained by Madoff 7 and should have been there as of December 11, 2008?</p> <p>8 A. Once it was put on the computer and the copy 9 was generated -- because we had that NCR paper I told 10 you about. So when they printed a check, behind the 11 check was the copy of it, all of those were. When we 12 were handwriting the checks in the very early years, 13 no, we didn't have copies of the checks then. But 14 everything that came off the computer came off with a 15 copy, which we saw earlier. And all of those were 16 saved.</p> <p>17 Q. Okay. So when you were handwriting checks --</p> <p>18 A. In '68, '70s. I don't know how long we 19 handwrote the checks.</p> <p>20 Q. But if I take the period from 1981, you were 21 on Third Avenue.</p> <p>22 A. Yeah, I believe.</p> <p>23 Q. You were working with a computer at that 24 point.</p> <p>25 A. That's correct.</p>
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<p>1 clips at the end that hangs on rods.</p> <p>2 MR. RIOPELLE: Are they green usually?</p> <p>3 The ones in my office are green.</p> <p>4 THE WITNESS: I think they were brown, 5 actually.</p> <p>6 BY MS. CHAITMAN:</p> <p>7 Q. I had visions of them hanging from the 8 ceiling, but that was wrong.</p> <p>9 A. No. They're in file cabinets.</p> <p>10 Q. Right. Okay.</p> <p>11 A. And it's not just the checks. It's 12 confirmations, memos, statements. Anything we sent out 13 to a customer is in that folder.</p> <p>14 Q. So every -- a copy of every check that was 15 sent to a customer --</p> <p>16 A. Uh-huh.</p> <p>17 Q. -- was kept in the hanging folder?</p> <p>18 A. Yes.</p> <p>19 Q. And there was a hanging folder for each 20 customer?</p> <p>21 A. Yes.</p> <p>22 Q. Now, what happened to those hanging folders?</p> <p>23 A. Well, when they would start getting thick, I 24 think it was twice a year they would take everything in 25 the folder out. Put it in a manila envelope and store</p>	<p>1 Q. So from that period on you retained copies of 2 every check that was sent to a customer?</p> <p>3 A. Yes.</p> <p>4 Q. So that if a profit withdrawal check was sent 5 to a customer you would still have a copy of it?</p> <p>6 A. Yes. It would be in that file.</p> <p>7 MR. RIOPELLE: The hanging file in the 8 mail room?</p> <p>9 THE WITNESS: The brown one, not the 10 green one.</p> <p>11 MR. RIOPELLE: The brown one. And that 12 would last for six months and then be sent 13 off to storage somewhere.</p> <p>14 THE WITNESS: Uh-huh.</p> <p>15 MR. RIOPELLE: As far as you knew?</p> <p>16 THE WITNESS: Uh-huh.</p> <p>17 MR. RIOPELLE: Were you involved in the 18 storing?</p> <p>19 THE WITNESS: Huh-uh. I wasn't involved 20 in the collating, the mailing, the filing, or 21 the storing of it.</p> <p>22 BY MS. CHAITMAN:</p> <p>23 Q. To your knowledge, did you ever hear that 24 there was a fire in the warehouse, or wherever the 25 storage facility was, or there was a flood and these</p>

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<p>1 documents were lost?</p> <p>2 A. No. I don't remember hearing that.</p> <p>3 Q. So to your knowledge, if checks were sent to</p> <p>4 a customer --</p> <p>5 A. Uh-huh.</p> <p>6 Q. -- there should be copies somewhere in the</p> <p>7 Trustee's possession?</p> <p>8 A. Yes. Except for at one point -- and I don't</p> <p>9 remember when -- they decided that we didn't need to</p> <p>10 hold everything from the very beginning and they did</p> <p>11 start shredding some of that stuff. But it happened</p> <p>12 for just a short period of time and then they decided</p> <p>13 to hold it again, so they stopped the shredding.</p> <p>14 So as far as I know, everything else was</p> <p>15 always held in those manila envelopes and they should</p> <p>16 still be there today, if we were still there today.</p> <p>17 Q. Now, at the end of each month, the customers</p> <p>18 that you were dealing with, the checks were written on</p> <p>19 the account at JP Morgan Chase, right, the 703 account?</p> <p>20 A. I don't really know what checks they used.</p> <p>21 That's what they told me at trial, that they were all</p> <p>22 written at the 703 account.</p> <p>23 Q. But you don't know that of your own</p> <p>24 knowledge?</p> <p>25 A. No, because -- I know there were several</p>	<p>1 didn't get to the bank. Some would say: Oh, no. I</p> <p>2 didn't get it. Nine times out of ten they hadn't</p> <p>3 cashed it yet, but we would check that.</p> <p>4 Q. Okay. So to that extent you were involved in</p> <p>5 that process?</p> <p>6 A. In calling if there was a check outstanding;</p> <p>7 right.</p> <p>8 Q. But you didn't personally review the bank</p> <p>9 statements and go through the checks.</p> <p>10 A. No. I never reviewed the bank statements.</p> <p>11 Q. And to your knowledge, was there anyone at</p> <p>12 Madoff that was responsible to look at the back of the</p> <p>13 check to see where it was deposited?</p> <p>14 A. I don't know anything about that.</p> <p>15 Q. Okay.</p> <p>16 A. No. The bank statement -- if the check was</p> <p>17 deposited it would come back with that statement;</p> <p>18 wouldn't it?</p> <p>19 Q. If a check was deposited it would come back</p> <p>20 in the envelope with the bank statement.</p> <p>21 A. Right. So why would I have to check the bank</p> <p>22 to see where it was deposited?</p> <p>23 Q. Because I could send it -- I could write out</p> <p>24 a check --</p> <p>25 A. Uh-huh.</p>
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<p>1 checkbooks. I don't know which ones they used, to be</p> <p>2 honest.</p> <p>3 Q. Because you were not involved in the checks?</p> <p>4 A. No. And if you asked me what checks I got if</p> <p>5 I pulled money out, I don't even remember.</p> <p>6 Q. At the end of each month JP Morgan Chase</p> <p>7 would send the bank statement for the prior month.</p> <p>8 A. Right.</p> <p>9 Q. All the cancelled checks back to Madoff;</p> <p>10 right?</p> <p>11 A. I assume so, yeah.</p> <p>12 Q. Were you ever involved in the process of</p> <p>13 reviewing those?</p> <p>14 A. I'll tell you what I was involved with. If</p> <p>15 there was a list of outstanding checks that didn't get</p> <p>16 cashed, whoever was checking at that particular</p> <p>17 month -- which could have been Ruth Madoff, could have</p> <p>18 been Dan Bonventre, Enrica Cotellessa-Pitz -- whoever</p> <p>19 did the statements then would come to me. Say: These</p> <p>20 people didn't cash their checks. Maybe there were two</p> <p>21 people. Maybe there were 12. I can't remember, and it</p> <p>22 would depend.</p> <p>23 It wasn't the same number all the time. We</p> <p>24 would call those people and say: You didn't cash this</p> <p>25 check. Did you get it? Some would say: Yeah, I just</p>	<p>1 Q. -- to your attorney.</p> <p>2 A. Right.</p> <p>3 Q. And it could be deposited into your account.</p> <p>4 It could be endorsed by you and put in your account,</p> <p>5 not in your attorney's account.</p> <p>6 A. Oh, okay. Okay. I see what you're saying.</p> <p>7 I don't know if somebody did that.</p> <p>8 Q. Okay.</p> <p>9 MS. CHAITMAN: Roland, I wasn't</p> <p>10 suggesting --</p> <p>11 MR. RIOPELLE: It's all right. You</p> <p>12 wouldn't be the first.</p> <p>13 MS. CHAITMAN: You just came to mind</p> <p>14 because I was looking at you.</p> <p>15 MR. RIOPELLE: I'm here.</p> <p>16 BY MS. CHAITMAN:</p> <p>17 Q. Could you look at Exhibit 36, please.</p> <p>18 A. Okay.</p> <p>19 Q. So this is -- this was filled out by Jodi</p> <p>20 Crupi; right?</p> <p>21 A. I believe this is her handwriting, yes.</p> <p>22 Q. And does the -- was it the custom in the</p> <p>23 office to put down the date when you filled out this</p> <p>24 form?</p> <p>25 A. No.</p>

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<p>1 Q. So how would you -- how would you know when 2 this form was filled out? 3 A. You know, I wouldn't know except that on the 4 back of the envelope sometimes they wrote "new account" 5 and the date. Here, new account. Oh, why does it say 6 new account? Oh, this is saying that this account went 7 into a new account. But sometimes on the back of the 8 folder they wrote down -- we wrote down whatever 9 instructions we wanted the key punch operator to see. 10 And here we're telling her use this exact information 11 for new account number. That's why this is on the back 12 on that last page, 420. 13 Q. So it says "4/17/96 new account." 14 A. Yes. That's when obviously he went into the 15 option account. Because see, it says 30/40. That was 16 the option account. 17 Q. So is it fair to assume that where it says JC 18 with the initials on the -- do you see that on the 19 right-hand side? 20 A. Yes. 9/22/86. 21 Q. Right. 22 A. Right. 23 Q. So would you assume, based on office 24 practice, that Jodi Crupi wrote out this whole page on 25 9/22/86?</p>	<p>1 Q. Okay. And there's a -- to the left of the 2 initials there's a circle with something in it. I 3 can't tell what that is. It's some kind of symbol. 4 Do you see that? 5 A. Yeah. 6 Q. What is that? Is that an office convention? 7 A. Honestly, that's more initials. That's more 8 initials. That looks like -- not really sure what it 9 looks like. It looks like more initials to me. You're 10 talking about this one above the JC? 11 Q. Yes. 12 A. Yeah, I don't know what it is. I know what 13 the C in the circle means. 14 Q. What does that mean? 15 A. Well, the customer gave me his social 16 security number. Maybe he gave it to Bernie over the 17 phone, they gave it to me over the phone. Might have 18 given it to me on a scrap paper, on something. And 19 when I get his tax ID form back I'm going to say that 20 this was confirmed on his tax ID form. So I'm going to 21 put a C there. 22 Q. Is that your C? Is that your handwriting? 23 A. That might be mine, but I don't even think 24 that's mine, actually. Somebody else confirmed this. 25 Q. So the C in the circle is a convention within</p>
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<p>1 A. I think Jodi wrote out most of it. She did 2 not write out all of it. I don't believe she wrote 3 that 9/22/86. That doesn't look like her numbers. 4 Q. Well, how many people would be involved in 5 preparing one of these forms? 6 A. Well, Jodi, she would have written up the 7 form. But then the key punch operator could have 8 signed off on it. It's got -- it's got my initials 9 here, but I didn't put that here. So I'm not really 10 sure what all these initials are. 11 Q. Which are your initials? 12 A. I'm AB. I'm Annette Bongiorno. 13 Q. I see. Above that is? 14 A. That's the girl whose name I couldn't 15 remember earlier this morning. 16 Q. So what does that mean if the initials are 17 there? 18 A. I'm not sure. 19 Q. So your initials are there, but you didn't -- 20 this is -- none of this is your handwriting. 21 A. That's correct. None of this is my 22 handwriting. 23 Q. So you don't know why those initials are 24 there? 25 A. Correct.</p>	<p>1 the office that you've confirmed something. 2 A. Right. We confirmed it with the tax ID. 3 Q. That's not your handwriting. 4 A. No. 5 Q. And where it says S and 9/29 and there's 6 initials, can you tell whose initials those are? 7 A. 9/29? 8 Q. Yeah. 9 A. On the bottom? 10 Q. Yeah. 11 A. No. It looks like somebody went in to make 12 sure that it said send on it. Because see? It's 13 checked off. 14 Q. So you think the S was not Jodi Crupi? 15 A. I'm really not sure. It doesn't look like 16 her, but I can't swear to that. 17 Q. So how many different people could make 18 changes on this form? I mean, it looks here like -- 19 A. Well, only we could make the changes, Jodi, 20 me. Anybody that originates this sheet can make a 21 change. These are the initials that people that key 22 punch, people that double-check things. They're not 23 changing anything. 24 Q. So -- okay. So what we -- if I can just 25 clarify this. We've got looks like E, G, right, or</p>

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<p>1 E --</p> <p>2 A. What the heck was her name?</p> <p>3 Q. So there's that person. Then there's your</p> <p>4 initials, AB.</p> <p>5 A. Right. Right.</p> <p>6 Q. Right? And then there's Jodi. And then</p> <p>7 there's the person in the circle. So right at the top</p> <p>8 of the page we've got four different people who've</p> <p>9 somehow --</p> <p>10 A. Yeah, but one person did all those initials</p> <p>11 with the exception of JC. That's definitely Jodi's JC.</p> <p>12 Somebody else did these other initials. I don't know</p> <p>13 what they're for. I don't have the original envelope</p> <p>14 for this, so I don't know if something is missing.</p> <p>15 This paper, all it has is the date that this</p> <p>16 account closed and a new one was opened. It's not</p> <p>17 giving me the other information that should be attached</p> <p>18 to the original folder.</p> <p>19 Q. What information should have been attached</p> <p>20 that isn't attached?</p> <p>21 A. The final sheet, the back of the folder that</p> <p>22 we write everything on, that's not here. I don't -- I</p> <p>23 can't help you with this. I don't know how to answer</p> <p>24 those questions.</p> <p>25 Q. Okay. So now on the top of the thing it says</p>	<p>1 send account through 2008?</p> <p>2 A. No. You can't tell that through this</p> <p>3 document. This account closed. The 1-0 account</p> <p>4 closed. So as long as this was an arbitrage account it</p> <p>5 was a send. At the point where this became an option</p> <p>6 account, which I believe is here, in '96, this would</p> <p>7 have become an option account.</p> <p>8 Option accounts work differently. They</p> <p>9 didn't get sent every time there was a trade. They got</p> <p>10 sent at the end of every quarter a profit. I would</p> <p>11 assume from what I'm seeing that these were always</p> <p>12 sends, but now they became quarterly, not every time</p> <p>13 there was a trade.</p> <p>14 Q. Okay. But assuming that this was the</p> <p>15 accurate instruction from the client --</p> <p>16 A. Right.</p> <p>17 Q. -- then after it became an option account?</p> <p>18 A. Right.</p> <p>19 Q. After it became this new number, 10156;</p> <p>20 right?</p> <p>21 A. Right.</p> <p>22 Q. Then quarterly profits would have been sent</p> <p>23 to the customer?</p> <p>24 MS. BROWN: Objection.</p> <p>25 A. No. When it became this number -- oh, is</p>
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<p>1 the account number is 10025410.</p> <p>2 A. Right.</p> <p>3 Q. That's crossed off. It says 1B002210. How</p> <p>4 did that happen? What does that mean?</p> <p>5 A. Well, originally the account was the 100254.</p> <p>6 But then we went into a new system, where we used the</p> <p>7 last name as a code, the first letter of the last name.</p> <p>8 So this became a B account. 1B0022 is the new account</p> <p>9 number.</p> <p>10 Q. Do you remember when that change took place?</p> <p>11 A. That could have been -- I don't, because they</p> <p>12 don't have it dated. I don't remember. And I don't</p> <p>13 know.</p> <p>14 Q. So somebody went in at the time that change</p> <p>15 was made and then crossed --</p> <p>16 A. That's how I know that I don't have the whole</p> <p>17 folder, because when we made changes like that we wrote</p> <p>18 it on the back of the folder. It's not here. The</p> <p>19 folder is missing. I don't have the whole folder for</p> <p>20 that.</p> <p>21 Q. Okay. So if you look at the -- this account,</p> <p>22 which became the -- it was 100254. It became 1B002210;</p> <p>23 right?</p> <p>24 A. Uh-huh.</p> <p>25 Q. According to this document, this remained a</p>	<p>1 this the number you said? The 1B0.</p> <p>2 Q. 1B0156.</p> <p>3 A. Then it would be quarterly. That's right.</p> <p>4 That's right.</p> <p>5 Q. Quarterly. If you'd look at Exhibit 41.</p> <p>6 A. Thank you.</p> <p>7 Q. So on 41 you said that what happened here was</p> <p>8 that Mr. Blecker called up. There was a check issued</p> <p>9 for HealthSouth for \$3,230.02. You see that?</p> <p>10 A. Yes.</p> <p>11 Q. On July 11th of 1991; right?</p> <p>12 A. Yes.</p> <p>13 Q. And you said that Mr. Blecker must have</p> <p>14 called up because that check was cancelled and a new</p> <p>15 check was issued on July 17th.</p> <p>16 Do you remember that testimony?</p> <p>17 A. I do, but --</p> <p>18 Q. Okay.</p> <p>19 A. Can I say something?</p> <p>20 Q. Let me just ask you.</p> <p>21 A. Sure.</p> <p>22 Q. When you made that testimony you weren't</p> <p>23 testifying from personal knowledge; right?</p> <p>24 A. No. I was testifying based on what I think</p> <p>25 I'm seeing. But over the course of the afternoon I</p>

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<p>1 realized there's other ways that this would have 2 happened. That's what I was just going to -- 3 Q. Let me just ask you this. 4 A. Sure. 5 Q. If a check was mailed out on July 11th -- 6 A. Right. 7 Q. -- Mr. Blecker couldn't possibly have gotten 8 it until, like, the 14th; right? 9 A. Okay. 10 Q. And he wouldn't know that he's entitled to 11 the check until he gets a statement at the end of the 12 month; isn't that true? 13 A. That's not true. 14 MS. BROWN: Objection. 15 Q. How would anyone know? 16 A. Because on this 11th a new trade was done. 17 Usually they got that trade before the check. See the 18 new trade that says -- I can't even read this -- Thermo 19 Election Corp -- Electron Corp.? 20 Q. Right. 21 A. That's a new trade. So usually they get the 22 trade in the mail. That trade probably went out on the 23 12th, 13th. He probably got that at the time he should 24 have -- and realized he should have had a check from 25 his last trade. But that's not the only way it could</p>	<p>1 knowledge as to what happened with that -- 2 A. No. 3 Q. -- account. 4 A. I can't remember. This is what? Like '91? 5 Q. Did you even handle that account in '91? 6 A. I don't know that either. 7 Q. Yeah. So you're really just guessing? 8 A. No. But just based on the statement, looking 9 at the statement, that's typically what would happen 10 when a check -- when somebody called in and said we 11 didn't get a check. That's exactly what we would do, 12 and that's what I was saying. We call the bank and 13 check it out. Then cancel the check and send a new one 14 right away. 15 Q. Okay. 16 A. Usually the same day. So when I saw that, 17 that's the first case scenario that came to mind. 18 Q. All right. But again, you have no idea what 19 happened. 20 A. I don't remember seeing it personally. I 21 could have, but I don't remember it. 22 Q. And you really don't remember ever speaking 23 to Blecker; right? 24 MS. BROWN: Objection. 25 A. I don't remember never speaking to him</p>
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<p>1 happen. There is something that I didn't think of 2 earlier. 3 Q. And what's that? 4 A. Well, what if this check was returned to us, 5 maybe it didn't get stamped. Maybe it was returned in 6 the mail because it was damaged. Maybe something else 7 happened with the check. 8 Q. Okay. But basically you're just speculating? 9 A. I'm speculating. 10 Q. You have no idea? 11 A. I have no idea. 12 Q. And in fact, if you look at the debit column, 13 this account was debited twice for the exact same 14 amount; wasn't it? 15 A. Yeah, it had to be. 16 Q. Well, if you cancel the first check -- 17 A. Right. 18 Q. -- then you should have credited the first. 19 A. I did. It's right below it, right there 20 below it. 21 Q. I see. You credited it once. Okay. 22 A. I cancelled it. 23 Q. Debited twice; cancelled it once. 24 A. Somebody did. Might have been me. 25 Q. Okay. But in any event, you have no personal</p>	<p>1 either. I don't know. I don't remember. 2 Q. All right. Now, if you would be good enough 3 to look at Exhibit 61. 4 MR. RIOPELLE: That's the big fat one 5 again. 6 THE WITNESS: Thank you. 7 BY MS. CHAITMAN: 8 Q. If you look at Exhibit 61, the first check on 9 Exhibit 41 that we've been talking about for \$3,230.02 10 to HealthSouth was issued on July 11th. 11 Do you see that? 12 A. Yeah. On the statement, yeah. 13 Q. Can you show me in Exhibit 61 where that 14 check was listed for July 11th? 15 A. That might have come off the computer, but 16 let me see. Let me look at July 11th. Hold on. Take 17 this off. 18 MR. RIOPELLE: Yeah. That's May. 19 THE WITNESS: June, July. It is not 20 here for 5/11 -- I mean 7/11. It's on -- no, 21 it's not here for 7/11. 22 BY MS. CHAITMAN: 23 Q. But it is there for 7 -- 24 A. Yes. But not every check is going to be on 25 here, because some of them were already on the</p>

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1 computer. And they came -- remember I said there was
2 another sheet, a green bar sheet that would come off
3 the computer? There were three places they can get
4 their checks from: Either the check out book, the
5 computer sheet, or the checks came in on a spiral
6 notebook.

7 MS. BROWN: I think you're looking at
8 the wrong date. That's all. Just not the
9 11th.

10 THE WITNESS: This is not the 11th?

11 MS. BROWN: I'm just saying it's in
12 there, just not on the 11th. It's on the
13 17th.

14 THE WITNESS: Well, that's when we
15 replaced it.

16 MS. BROWN: Right.

17 BY MS. CHAITMAN:

18 Q. I just want to be clear about something. I
19 thought that we were talking about different time
20 periods when you were using the spiral notebook.

21 A. I don't remember when we started using the
22 computer printout versus the spiral notebook. It's not
23 going to be in two places. So if it's not here, it was
24 on the run.

25 Q. But isn't it true that at the time you

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1 MS. BROWN: Objection.

2 A. No, not saying that. I'm saying in this case
3 that's what happened.

4 Q. But why wasn't -- when the check was
5 originally issued, weren't the checks issued based upon
6 what was written in Exhibit 61?

7 MS. BROWN: Objection.

8 A. No. It could have been in the spiral
9 notebook or it could have been on the ledger sheets
10 that come out of the computer, the green bars.

11 It's not here and that's what that's telling
12 me. It would have been there. Because if you look --
13 I mean, I didn't go through this whole thing. And I
14 can't remember. I'm answering to the best of my
15 ability. But it makes perfect sense to me that the
16 profit was due on 7/11 and it came off the computer.
17 We use that computer sheet to generate that check.

18 But then, because there was a problem with
19 it, we put the new check in the manual sheet, because
20 that wasn't going to come up in the computer again.

21 You understand what I'm saying?

22 MR. RIOPELLE: Uh-huh.

23 Q. Okay. So going back to -- it's not on 7/11,
24 we know that. If you look at 7/17 in the book; right?

25 A. Right.

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1 started the computer system you stopped using the
2 handwritten spiral notebook?

3 A. That is true.

4 Q. Okay.

5 A. That's why it could be on the green bar.

6 Q. But okay. Just let's -- okay. So if on
7 July 17th it was in the spiral notebook --

8 A. Yes.

9 Q. -- why the week before would it not have been
10 in the spiral notebook?

11 A. Because the week before it went out the
12 regular way, which is right through the computer
13 programming, and the sheet that that gave us, on the
14 17th it was cancelled and reinstated because there was
15 a problem with it. That's not going to be on the green
16 bar. It's not going to come out with the profits.

17 The profit was originally due on 7/11, and it
18 probably came out on a green bar on 7/11 that lists all
19 the arbitrage profits for that day. Something happened
20 with it. We had to cancel it and reissue it. We had
21 to do that manually. And that's why it's in the book,
22 this spiral book.

23 Q. So you're saying that this entire book,
24 Exhibit 61, is only when there was some kind of
25 mistake?

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1 Q. These -- 7/17 -- which is page HWN ending
2 1651; right?

3 A. Right.

4 Q. So this has -- one, two, three, four --

5 A. Four checks.

6 Q. -- five, six -- six checks; right?

7 A. Yes, six checks.

8 Q. Six checks that were profit withdrawals all
9 for --

10 A. No.

11 MS. BROWN: Objection.

12 A. Not true. Four profit withdrawals and two
13 capital withdrawals.

14 Q. I see. You're right. Okay.

15 So the C&M7 are capital withdrawals. And the
16 other four are HealthSouth profit withdrawals; right?

17 A. That's right.

18 Q. And these are listed in the book?

19 A. That's right. These there was some kind of a
20 problem with. These were second edition checks.

21 Q. So all four of these?

22 A. Right.

23 Q. Were second edition checks?

24 A. Has to be.

25 Q. And you're saying that as of -- as of

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<p>1 July 17, 1991, in the normal course the checks would be 2 on the -- would be coming out of the computer system, 3 that you wouldn't be relying on the handwritten ledger? 4 A. Not that same date though, because that was 5 not the date the check was due. The check was due on 6 the 11th, which was the original date it went out. 7 Q. Okay. But for the 11th what you're telling 8 me is, is that as of July 11, 1991, the profit 9 withdrawals were generated by computer, the list of 10 profit withdrawal checks were generated by computer. 11 A. Right. 12 Q. They were put on -- they were printed out on 13 the green bar paper? 14 A. Correct. 15 Q. And that green bar paper was the source of 16 the information that people used to write out the 17 checks? 18 MS. BROWN: Objection. 19 A. Correct. 20 Q. Is that what you're saying? 21 A. I believe so, yes. That's what I'm saying. 22 Q. Okay. So then this book was only if there 23 was a mistake? 24 A. No. No. This book dealt with other accounts 25 too. This book dealt with other kinds of checks, like</p>	<p>1 a mistake that this book was used? 2 MS. BROWN: Objection. 3 A. Only when -- only if there was a mistake or a 4 check that went astray or something happened in a 1-0 5 account, in an arbitrage account. This was used for 6 other things, not just mistakes. 7 Q. Okay. But for the arbitrage accounts -- 8 A. For the arbitrage accounts. 9 Q. As of 19 -- 10 A. If something was missed; that's correct. 11 Q. Just to be clear -- 12 A. Right. 13 Q. -- for the arbitrage accounts -- 14 A. Right. 15 Q. -- as of the time period covered by 16 Exhibit 61 -- 17 A. Uh-huh. 18 Q. -- this was only used if there was a mistake 19 in the issuance of the check? 20 A. No. 21 MS. BROWN: Objection. 22 A. The word "mistake" is not -- yeah. 23 MS. BROWN: Hasn't said mistake. 24 A. I don't know if I'd used the word mistake, 25 but it wasn't used for the regular, everyday profit</p>
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<p>1 tax-exempt income checks. It dealt with capital 2 withdrawals. 3 Q. Let's just focus on the profit withdrawals. 4 A. I'm answering your question. 5 Q. Let me try it again. I want to focus only on 6 checks that were issued for profit withdrawals. 7 A. Okay. 8 Q. As of July 11, 1991, was the information that 9 you used to write checks for profit withdrawals derived 10 from the computer, which was printed on the green bar 11 paper? 12 A. Yes, I believe so, based on what you're 13 showing me here. 14 Q. Well -- 15 A. Not based on my memory, because my memory 16 doesn't remember what July 11th was back then. 17 Q. No, no, no. But I -- 18 A. Based on what you're showing me, yes. The 19 answer is yes. 20 Q. Okay. So this book would not have been used 21 for that purpose? 22 A. That's correct. 23 MS. BROWN: Objection. 24 BY MS. CHAITMAN: 25 Q. Just to be clear, it was only when there was</p>	<p>1 withdrawal checks. The computer was. 2 Q. Only if there was something exceptional such 3 as a check getting lost? 4 A. Right. Right. 5 Q. Okay. 6 MR. RIOPELLE: Okay. That was clear. 7 THE WITNESS: It was? 8 MR. RIOPELLE: Yes, very. 9 THE WITNESS: Well, she asked for a 10 long -- 11 BY MS. CHAITMAN: 12 Q. Now, if you'd look at Trustee Exhibit 37, 13 please, if you could take out just Exhibit 40 and just 14 look at both Trustee Exhibit 37 and 40. I want to ask 15 you a question. 16 MR. RIOPELLE: Here's 40. 17 Q. You may recall that I had questioned 18 Miss Brown as to the date of Exhibit 40, which doesn't 19 appear to have a date on it. And Miss Brown said that 20 it would be clarified by another document, and then she 21 gave you Trustee Exhibit 37. And if you look at 22 Trustee Exhibit 37 on April 28th there's a check -- 23 there's an entry, check, Fleet/Norstar PW \$2,606.03. 24 Do you see that? 25 A. Yes.</p>

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<p>1 Q. And then you pointed out that if you look at 2 Trustee Exhibit 40 that same amount shows up on 3 April 28th. 4 Do you see that? 5 A. Yes. 6 Q. And so you said that was the same 7 transaction? 8 A. Yes. 9 Q. Now, what is the account number on Exhibit 40 10 for that transaction? 11 A. 100- -- wait, 40? Sorry. 1B0021 -- 221. 12 Q. Okay. And now what is the account number on 13 Exhibit 37 which reflects that same transaction? 14 A. 100254-10. 15 Q. Okay. So is that the same account? 16 A. Yes. That's the account I showed you before 17 that had the number change. 18 Q. Okay. So you mean at the same point in time 19 Madoff's computer records would be referring to the 20 identical account using two different numbers? 21 A. For a while we would do that, until 22 everything was converted over to the new number. 23 That's what they did. 24 Q. So you mean these were both generated by the 25 AS/400; right?</p>	<p>1 with letters, we just told the computer this is the 2 same account number so just treat them the same. Even 3 though this was printed at month end with the new 4 number, this was done right before we did this with the 5 old account number. But that's what it is and that's 6 how they did it. I don't know why. I'm not a 7 programmer, but that's the way they did it. 8 Q. For what period of time did they have the 9 same account designated with different numbers? Do you 10 recall? 11 A. The same account with different numbers? 12 Q. In other words, like this. 13 A. Could I see that other sheet again? Well, 14 obviously in April they did. I don't know about March. 15 I'd have to look at March. But here's April and they 16 did it in April. I'd have to look at March to see if 17 it happened in March. But I want to see, when does it 18 say new account number? April. 19 So maybe it was only the one month. See, 20 because it says it changed in April, so maybe only 21 April would look this way. 22 Q. What document are you looking at? 23 A. This is number 36. 24 Q. Number 36. 25 A. And this was the name and address file, the</p>
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<p>1 A. That's correct. 2 Q. So you mean at the same time on any given day 3 the AS/400 would generate these two documents referring 4 to the same account using different numbers? 5 A. Yes, it's possible. 6 Q. And how is that -- 7 A. When we -- 8 Q. How is that possible? If you're programming 9 the computer to say that the account in the name of 10 Aaron Blecker, 50 Grist Mill Lane, Great Neck, New York 11 is account number 1B00221, how does the computer then 12 use the other number? 13 MS. BROWN: Objection. 14 A. It was programmed to do that until everything 15 was converted into new numbers. Because maybe they 16 didn't do that all in one day. Maybe it took a couple 17 of days. But if my memory is correct, if you had the 18 regular statements, you'd see both numbers on the 19 statement, I think, because we did that twice. We 20 changed numbers. 21 If you remember, one of the accounts had 22 three numbers. It had a 100 number then a 1B number, 23 then -- that's this one. Didn't it have a number 24 before this? Yeah, when it became a 30. 25 When we converted from the 100 to the ones</p>	<p>1 maintenance file. 2 Q. So this says April 17th, '96, new account is 3 1B0156. 4 A. Right. 5 Q. So 1B0156 -- 6 A. This is a different account number. This is 7 not a good example. 8 Do we have Aaron Blecker's -- wait a minute. 9 254 and 221. 254, there's something missing. This 10 is -- there's something missing from this file. I 11 can't figure it out. 254 -- 12 Q. We have -- 13 A. -- became 1B156. This is 1B221. When did 14 156 -- oh, it said in April of this same year. No. 15 This is '92. This is '96. Okay. See, there's 16 something missing from this file. That's what's 17 causing the confusion. 18 So 100254 became B22. But this other thing 19 they're showing me, they're saying that it became this 20 B22 in -- what did I just say? Where is the other 21 thing? 22 MS. BROWN: You have it in your hand. 23 A. I've confused myself, because this says 156 24 and 96. So this went from 254 to 221, B221. So we're 25 looking at apples and oranges here. This is like a</p>

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1 different time period altogether. I don't know how to
2 show her this, because this is not even going to be --
3 this is the portfolio run.

4 Q. When you're saying "this," are you referring
5 to --

6 A. Okay, I'm looking at --

7 Q. -- Trustee 40?

8 A. Right. That's the portfolio run for the
9 arbitrage accounts. When this became B -- when this
10 became B156 it was an option account. So that you
11 wouldn't see here. And that was in 1996. So there was
12 a step in between that's missing from here. I don't
13 have all the papers.

14 MR. RIOPELLE: When you say "from here"
15 you're referring to Trustee Exhibit 36?

16 THE WITNESS: Right.

17 A. See, because this is saying that this 254
18 went into B221. I don't know -- I don't know -- I
19 don't know where the rest of the paperwork is here to
20 show that. But this is one and the same account, even
21 though the numbers are wrong. It's because this 00254
22 became this B221 and then the 221 became the 156
23 four years later.

24 Q. And why was the second -- why was it changed
25 the second time?

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1 I didn't do that. I kept better records. I
2 had a very good trail on my accounts.

3 MR. RIOPELLE: Just for the record's
4 sake, throughout Miss Bongiorno been
5 referring to Trustee Exhibit 36, Trustee
6 Exhibit 37, and Trustee Exhibit 40, kind of
7 pointing at all three of them at various
8 points.

9 BY MS. CHITMAN:

10 Q. So who -- was there -- was there a quality
11 control person who -- so that there was some
12 consistency in the files? I mean, you said you
13 wouldn't have done it this way.

14 A. Well, I'm not a programmer. I didn't -- I
15 couldn't tell you how to go from one program to
16 another. But the powers that be, the people that know
17 programming, and Bernie probably decided this is the
18 way they were going to do it when they melded these two
19 accounts together.

20 As far as this paper trail, I've never seen
21 that before. I don't know if this is just a freak
22 thing that this account we happened to pick. But I
23 didn't have anything to do with the option accounts
24 either.

25 Maybe that's all Frank wanted in the file.

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1 A. The second time it was changed because the
2 type of account changed. It went from a 1-0, which is
3 an arbitrage, to a 3-0, which is an option. At this
4 point they couldn't just combine numbers like they did
5 here because it was becoming a whole different entity.

6 So they completely closed one account and
7 completely opened a new account. They put all this
8 information in the new account folder. But they didn't
9 take everything that happened in the middle out, which
10 is the B, going from the 254 to the 1B221.

11 Q. When you say "they," you're talking about the
12 Madoff people who did this.

13 A. Yes, who actually did this conversion. Or
14 whomever made the copies didn't copy everything in the
15 folder because that would have to be on the folder
16 also.

17 Q. Okay. Okay.

18 A. But there's no doubt in my mind this is the
19 same account. You could tell that.

20 Q. Because it's the same name and address?

21 A. It's the same name. It's the exact same
22 amount of money. It's around the same investment. See
23 it's saying here in April he had an investment of about
24 97,000. And then when you add the profit in, he has
25 its account value is about 102. It just adds up.

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1 Maybe he didn't want everything in the file. I can't
2 answer for him. I don't know.

3 MR. RIOPELLE: You're referring to
4 Trustee 36?

5 THE WITNESS: Right. Yeah.

6 BY MS. CHITMAN:

7 Q. You're saying maybe Frank didn't want to keep
8 everything in the file?

9 A. Maybe whatever kind of paperwork, other
10 paperwork was in this file he didn't need to have
11 because he was keeping the old file plus his new file.
12 You know, I don't know. I can't -- I can't answer that
13 because I didn't do it. I don't know. That's
14 possible.

15 Q. Okay. So you'd have -- I mean only Frank
16 would know what he --

17 A. Yeah. Well, as far as this goes, yes.

18 Q. This would have been handled by Frank?

19 A. Yes. He wouldn't have done it personally,
20 but he would have given them the instructions on how to
21 do it.

22 MR. RIOPELLE: Once it became an options
23 account.

24 THE WITNESS: Yes. The option folder
25 would have been his, you know, decision how

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<p>1 he wanted to keep it and what papers should 2 have been transferred over to open the new 3 folder. The old folder's got to be there 4 somewhere. 5 BY MS. CHAITMAN: 6 Q. When you say it's got to be there -- 7 A. It would have been in the office somewhere if 8 he didn't use everything, sure. 9 Q. It should have been there. 10 A. Sure. 11 Q. Now, you testified that before 2000 Jodi and 12 Frank took over a lot of your duties. 13 A. Well, when the option accounts became a part 14 of this whole scenario, they took all the accounts, a 15 lot of the accounts that were arbitrage, over to that 16 side of the office where the options were being run. 17 So that's what I meant by that. 18 Q. Okay. When -- 19 A. Plus I was coming back and forth to Florida a 20 lot. So Jodi took over some of the managerial, you 21 know, things in the office. 22 Q. When you talk about option accounts, are you 23 referring to the split strike conversion strategy? 24 A. Yes. 25 Q. Okay. Okay. And that started in about 1992;</p>	<p>1 Q. From that point going back, you were -- what 2 was your involvement? 3 A. I was really just managing the office and the 4 accounts that were just considered long position 5 accounts, not these accounts. 6 Q. You were not involved in the regular 7 customers. When you say long position you're talking 8 about -- 9 A. Accounts that he brought staff -- for like my 10 account that we didn't turn around and sell right away. 11 Q. Or a Stanley Chais? 12 A. Those were the accounts that had just open 13 long positions. Although Stanley Chais had options 14 account and he had arbitrage. He had every kind of 15 account at one point. 16 Q. And you handled his account. 17 A. Only the long position accounts at this 18 point. You're talking about now later on; right? 19 You're talking about 2000 and up? You said about 2000. 20 MR. RIOPELLE: Well, Annette, Joann Sala 21 was in charge of the arbitrage accounts at 22 one point; right? So by the time she was in 23 charge of those you were not doing the 24 day-to-day on those? 25 THE WITNESS: When Joann was doing the</p>
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<p>1 right? 2 A. I don't remember. 3 Q. Well, if Mr. Madoff testified that that 4 started in 1992 would you have any reason to -- 5 MS. BROWN: Objection. 6 A. Oh, sure, because he doesn't lie. I don't 7 know. 8 MR. RIOPELLE: Do you remember that it 9 started after the Avellino & Bienes -- 10 THE WITNESS: It started after that, 11 yes. 12 BY MS. CHAITMAN: 13 Q. Okay. Well, Avellino & Bienes was 1992. 14 A. So it started after that some time. Not to 15 say there -- maybe there were a couple of accounts he 16 had before that. But the big amount of accounts that 17 went into options went in after that -- after that 18 whole thing. 19 Q. Okay. All right. So I want to understand 20 what the difference was in your duties with respect to 21 the customers. 22 A. Okay. 23 Q. Let's say that the split strike conversion 24 strategy started in 1992. 25 A. Uh-huh.</p>	<p>1 arbitrage accounts she was still under, like, 2 my umbrella. I was still helping out 3 whenever she needed help, if she had 4 questions, if she was needing things from 5 David and he was ignoring her and stuff like 6 that, that was me. 7 MR. RIOPELLE: You were still helping 8 out at that point? 9 THE WITNESS: I was helping out and I 10 was supervising it. She was doing the actual 11 work, but I was supervising it. When she 12 retired and those accounts became option 13 accounts, I no longer had anything to do with 14 any of those accounts. 15 MR. RIOPELLE: Not even in a supervisory 16 role? 17 THE WITNESS: No, nothing. And if 18 somebody would have called and said I have a 19 question on this, it would have gone directly 20 to Frank DiPascali. 21 MR. RIOPELLE: When you said Mr. Chais, 22 he had all different kind of accounts. He 23 had an arbitrage account. He had an options 24 account. He had a long positions account. 25 Is it correct that, with respect to the</p>

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<p>1 arbitrage account, Joann Sala might have done 2 the day-to-day work on that under your 3 supervision? 4 THE WITNESS: Right. 5 MR. RIOPELLE: The long position account 6 you did the actual day-to-day work on. 7 THE WITNESS: Right. 8 MR. RIOPELLE: And the option account, 9 Frank and Jodi did the day-to-day work on? 10 THE WITNESS: Exactly. 11 MR. RIOPELLE: Does that help? 12 MS. CHAITMAN: It does, yes. Thank you. 13 BY MS. CHAITMAN: 14 Q. You mentioned there were customers that had 15 long positions, where you actually held the stock? 16 A. Right. 17 Q. Was one of those customers Sage, S-A-G-E? 18 A. Yes. 19 Q. And you -- 20 A. He had that account for awhile and then he 21 became options also. 22 Q. Right. But he had a long position, where you 23 held those stocks for a long period of time? 24 MS. BROWN: Objection. How is this 25 related to profit withdrawal? He's not a</p>	<p>1 Q. Okay. 2 MS. CHAITMAN: Could we take a 3 ten-minute break? I just want to go through 4 and make sure -- I have a couple of other 5 areas I want to cover. I just want to 6 arrange my thoughts. 7 (Recess taken 2:46 p.m. to 3:03 p.m.) 8 BY MS. CHAITMAN: 9 Q. Miss Bongiorno, as I understand your 10 testimony, after an account was opened, if a customer 11 wanted to change instructions as to send profits or 12 reinvest they had to send a letter; is that correct? 13 A. That's correct. They have to first call and 14 speak to Mr. Madoff and ask to be able to do it, and 15 then they'd have to follow up with the letter for me. 16 Q. Okay. And why -- was it Mr. Madoff who set 17 the requirement that you had to -- that the customer 18 had to send in a letter? 19 A. Yes. 20 Q. And did he ever explain to you why he 21 required that? 22 A. He didn't. But that's not something I would 23 need an explanation for. I wouldn't ask for one. 24 Q. What was your understanding as to why you 25 needed it?</p>
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<p>1 profit withdrawal customer. 2 BY MS. CHAITMAN: 3 Q. He is. Isn't that -- isn't that correct that 4 those were held -- 5 MS. BROWN: Objection. 6 BY MS. CHAITMAN: 7 Q. You can answer the question. 8 A. Okay. Mr. Sage had an arbitrage account. He 9 had a long position account. And he had an option 10 account, just like Stan Chais. At one point, though, 11 his option account went to -- sorry -- his arbitrage 12 went to option and his long positions went to option. 13 Then he was just doing options there for a while. 14 Q. When you say his long position went to 15 options -- 16 A. They sold off whatever was in his account, my 17 best recollection -- 18 Q. Right. Right. 19 A. -- and took that investment and put it into 20 the option account. 21 Q. But prior to that those securities were held; 22 isn't that correct? 23 MS. BROWN: Objection. 24 A. Prior to that? To the best of my knowledge, 25 yes, it was a long position account.</p>	<p>1 A. He wanted it. He wanted it. It goes in the 2 file. 3 Q. But did you have any understanding as to why 4 he wanted it? 5 A. I don't know. Maybe just as a paper trail. 6 I really don't know. I never asked him why he wanted 7 it. I just made sure if it had been changed that I got 8 it. 9 Q. Okay. You didn't -- you didn't have an 10 understanding yourself that it would be important to 11 have a written record of what the customer was 12 requesting? 13 A. Yes. I understood that it would be important 14 to have a change of what -- anything that was going to 15 change had to be in writing. 16 Q. Okay. And were you informed or did you learn 17 of any federal regulations which required that 18 investment advisory customers' requests had to be put 19 in writing? 20 MS. BROWN: Objection. 21 A. I didn't know anything about any regulation 22 like that, no. I didn't know anything about it. 23 THE WITNESS: Is there one? Can I ask? 24 MR. RIOPELLE: You don't get to ask 25 questions now.</p>

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<p>1 THE WITNESS: Okay. I take it back. 2 BY MS. CHAITMAN: 3 Q. Now, you mentioned that Mr. Madoff would meet 4 with customers when they opened their accounts. And I 5 believe you testified that you did not attend those 6 meetings; is that correct? 7 A. That is correct in 99 percent of the cases. 8 Sometimes he'd call me in. If they were sitting there 9 with a check that he wanted to deposit that day or me 10 to bring papers in them for them to sign that day, like 11 tax ID forms, then he would call me in. But it didn't 12 have to happen that way. 13 Q. Okay. And to your knowledge, what about with 14 Frank DiPascali, did he generally meet with new 15 customers with Mr. Madoff? 16 A. I do not know. 17 Q. What about with Jodi Crupi? 18 A. I don't know. 19 Q. Now, you prepared for this deposition; didn't 20 you? 21 A. No. 22 Q. You didn't meet with your attorney to prepare 23 for this deposition? 24 A. Well, I mean, he asked me about it. He told 25 me what was going to happen. If that's what you mean</p>	<p>1 Q. And these were documents that were in a 2 folder that he brought with him? 3 A. I don't remember what they were in. I don't 4 remember what they were in. 5 Q. They were in a folder that had a Baker & 6 Hostetler label on them, right? 7 MS. BROWN: Objection. 8 A. I don't remember what was on the label 9 either. I don't know. 10 Q. Well, isn't it -- 11 A. If there was anything on the label. 12 Q. -- anything Mr. Riopelle has with him today? 13 MS. BROWN: Objection. 14 A. Quite honestly, I didn't look at the folder. 15 It wasn't important to me. 16 Q. But he showed you a lot of the documents that 17 you actually were questioned about. 18 A. He showed me about four documents yesterday. 19 Q. And they were among the documents that you 20 were questioned about today. 21 A. Yes. 22 Q. Yes. And he told you what the Trustee wanted 23 to elicit from you, isn't that -- 24 MS. BROWN: Objection. 25 MR. RIOPELLE: Yeah. I think that's</p>
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<p>1 by "prepared," yes. Then yes. 2 Q. Yes, that's what I mean by prepared. 3 A. Yeah. 4 Q. In fact, you met with him; didn't you? 5 A. Yes. 6 Q. So when did you meet with him? 7 THE WITNESS: When were you here? 8 A. Yesterday. And the day before the last one, 9 June whatever. 10 MR. RIOPELLE: Fifth I think that would 11 be, yeah. 12 BY MS. CHAITMAN: 13 Q. And how long did you meet with Mr. Riopelle 14 yesterday? 15 A. An hour? Two? Maybe two hours. 16 Q. And what did you talk about? 17 MR. RIOPELLE: In general. 18 A. In general we talked about if I was going to 19 be in any kind of, you know, problem doing this, if it 20 could hurt me in any way, if it could -- if I would be 21 pulled out of here at any time. Things -- that's what 22 concerned me mostly; right? That's what we talked 23 about. 24 Q. And did Mr. Riopelle show you any documents? 25 A. He did. He showed me a couple of documents.</p>	<p>1 invading the privilege at that point. 2 MS. CHAITMAN: I don't think so. How 3 can it be a privilege if you tell her what 4 the Trustee is seeking? How is that -- 5 MR. RIOPELLE: I think my conversations 6 with my client are privileged. 7 MS. CHAITMAN: Only if it's relating 8 to -- 9 MR. RIOPELLE: I object. Don't answer 10 that one. 11 THE WITNESS: Yes, sir. 12 MS. CHAITMAN: How is a communication -- 13 MR. RIOPELLE: I think you're wasting 14 your time. I've objected. You'll have to go 15 to the Court to get that question answered. 16 MS. CHAITMAN: Okay. I just want to be 17 clear. The -- 18 MR. RIOPELLE: You're wasting your time. 19 Ask another question. 20 MS. CHAITMAN: The question you're 21 refusing to let her answer is -- 22 MR. RIOPELLE: What did I tell her. 23 Yes, I refuse to let her answer that. 24 MS. CHAITMAN: What did -- 25 MR. RIOPELLE: Ask your next question.</p>

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<p>1 BY MS. CHAITMAN: 2 Q. Did Mr. Riopelle tell you what the Trustee 3 wanted you to testify about? 4 MR. RIOPELLE: Objection. 5 I instruct you not to answer that 6 question. 7 BY MS. CHAITMAN: 8 Q. Did Mr. Riopelle tell you what the Trustee 9 wanted to establish through your testimony? 10 MR. RIOPELLE: Again, I object to what I 11 told her. And I instruct her not to answer 12 that question. 13 BY MS. CHAITMAN: 14 Q. Did Mr. Riopelle tell you that it was your 15 obligation, in view of the settlement agreement which 16 allowed your husband to keep about \$3 million of 17 assets, that you had to testify a certain way today? 18 MR. RIOPELLE: Again, I object to what I 19 told her. That's privileged. 20 MS. CHAITMAN: I have no further 21 questions. 22 MS. BROWN: I have maybe two, 23 three minutes of questions. I just want to 24 clarify one thing for the record. 25 * * * * *</p>	<p>1 A. Uh-huh. 2 Q. And what account number do you see for Aaron 3 Blecker? 4 A. 1B0022-10. 5 Q. And what's that account number? 6 A. What do you mean? Aaron Blecker. 7 Q. Is that the new account number? 8 A. That's the new one, yes. Sorry. 9 Q. But the account number of 100254-10 -- 10 A. Right. 11 Q. -- and 1B0022-10 are the same account? 12 A. They're one and the same; that's right. 13 Q. And then turning back to Trustee Exhibit 36. 14 A. Uh-huh. 15 Q. If we can look at the page ending in 420. 16 A. 420. Okay. 17 Q. And what does that page look like to you? 18 A. It looks like the account is going to be 19 closed and it's going to be a new account in the same 20 name, 1B015630-40. 21 Q. The 30/40 refers to option accounts? 22 A. Yes. 23 Q. The actual page that's shown in the -- that 24 ends in 420, what does that image look like to you? 25 A. The back of the folder.</p>
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<p>1 REDIRECT EXAMINATION 2 BY MS. BROWN: 3 Q. Miss Bongiorno, I want you to take a look at 4 Trustee Exhibit 36. 5 A. Uh-huh. 6 Q. If you can turn to the page ending at 419. 7 A. Uh-huh. 8 Q. What are the two account numbers you see at 9 the top of that page? 10 A. 100254-10. 11 Q. And what's the second account number you see? 12 A. 1B0022-10. 13 Q. And what do those two account numbers mean to 14 you? 15 A. The one that's crossed out, 100254-10, that 16 was the original account number. It was then changed 17 and that account number became 1B0022-10. 18 Q. I'd like to show you what's been marked as 19 Trustee Exhibit 37. 20 A. Okay. 21 Q. And what account number is listed on Trustee 22 Exhibit 37? 23 A. This is the original one, 100254-10. 24 Q. Okay. And I'd like to show you Trustee 25 Exhibit 40.</p>	<p>1 Q. And if I can just have you look at -- Trustee 2 36 -- I show you what's been marked as Trustee 3 Exhibit 44. 4 A. Okay. 5 Q. If you can turn to the page ending in 126. 6 A. Uh-huh. 7 Q. And what is the account number you see at the 8 top of that page? 9 A. 1B0022. 10 Q. And that was the account number that we were 11 just looking at; correct? 12 A. I believe that was the new account number. 13 Let me just make sure. That was the new arbitrage 14 account number, yes. 15 Q. Just staying with that exhibit, Trustee 16 Exhibit 36. 17 A. Right. 18 Q. Looking at the last page of Trustee 19 Exhibit 36, and what do you see on the Trustee 20 Exhibit 36, the last page? 21 A. It says, new account April 17, 1996, 22 1B0156-30/40. 23 Q. And what do you see in Trustee Exhibit 44, 24 what account? What's the account number? 25 A. I see 1B0022 going into 1B0156.</p>

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<p style="text-align: right;">Page 266</p> <p>1 Q. Okay. So based on your review of these 2 documents, Trustee Exhibit -- 3 MR. RIOPELLE: 36 and whatever that is. 4 BY MS. BROWN: 5 Q. -- 36 and 44 -- 6 A. Right. 7 Q. -- Mr. Blecker's account started with the 8 account number 100254; correct? 9 A. Correct. 10 Q. And Mr. Blecker's account became 1B0022; 11 correct? 12 A. That's correct. 13 Q. And then when the arbitrage account ended and 14 it became an options account, Mr. Blecker's account 15 number became 1B0156? 16 A. Correct. And he changed the title then. 17 Q. And what was the title changed to? 18 A. From a personal account to a revocable trust. 19 MS. BROWN: That's all my questions. 20 MS. CHAITMAN: Okay. We did it. 21 MR. RIOPELLE: Hallelujah. 22 (Thereupon, the proceedings concluded at 23 3:15 p.m.) 24 25</p>	<p style="text-align: right;">Page 268</p> <p>1 CERTIFICATE OF REPORTER 2 THE STATE OF FLORIDA) 3 COUNTY OF SUMTER) 4 5 I, ELIZABETH A. SPEER, CRR, RMR, FPR, RSA, certify that 6 I was authorized to and did stenographically report the 7 deposition of ANNETTE BONGIORNO, pages 5 through 266; that a 8 review of the transcript was requested; and that the 9 transcript is a true and complete record of my stenographic 10 notes. 11 I further certify that I am not a relative, employee, 12 attorney, or counsel of any of the parties, nor am I a 13 relative or employee of any of the parties' attorney or 14 counsel connected with the action, nor am I financially 15 interested in the action. 16 17 DATED this 11th day of July, 2016. 18 19 20 21 ELIZABETH A. SPEER 22 Certified Realtime Reporter 23 Registered Merit Reporter 24 Florida Professional Reporter 25 Realtime Systems Administrator</p>
<p style="text-align: right;">Page 267</p> <p>1 CERTIFICATE OF OATH 2 3 THE STATE OF FLORIDA) 4 COUNTY OF SUMTER) 5 6 7 8 9 I, the undersigned authority, certify that 10 ANN BONGIORNO personally appeared before me and was 11 duly sworn on the 8th day of JULY, 2016. 12 13 14 Signed this 11th day of JULY, 2016. 15 16 17 18 ELIZABETH A. SPEER 19 Notary Public - State of Florida 20 My Commission No. FF 928093 21 My Commission Expires: 11/28/19 22 23 24 25</p>	<p style="text-align: right;">Page 269</p> <p>1 July 11, 2016 2 ANNETTE BONGIORNO 3 c/o Roland G. Riopelle, Esq. 4 Sercarz & Riopelle, LLP 5 810 Seventh Avenue, Suite 620 6 New York, New York 10009 7 IN RE: SIPC v BLMIS 8 CASE NO.: 08-01789(SMB) 9 10 Please take notice that on the 8th day of JULY, 2016, 11 you gave your deposition in the above cause. At that 12 time you did not waive your signature. 13 14 The above-addressed attorney has ordered a copy of this 15 transcript and will make arrangements with you to read 16 their copy. Please execute the Errata Sheet, which can 17 be found at the back of the transcript, and have it 18 returned to us for distribution to all parties. 19 20 If you do not read and sign the deposition within 30 21 days, the original, which has already been forwarded to 22 the ordering attorney, may be filed with the Clerk of 23 the Court. 24 If you wish to waive your signature now, please sign 25 your name in the blank at the bottom of this letter and return it to the address listed below. Very truly yours, ELIZABETH A. SPEER, CRR, RMR, FPR, RSA Phipps Reporting, Inc. 1551 Forum Place Building 200, Suite E West Palm Beach, Florida 33401 I do hereby waive my signature. ANNETTE BONGIORNO</p>

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1 ERRATA SHEET
2 DO NOT WRITE ON TRANSCRIPT - ENTER CHANGES HERE
3 IN RE: SIPC v BLMIS
4 ADV. PRO. NO. 08-01789(SMB)
5 WITNESS: ANNETTE BONGIORNO TAKEN: 07/08/2016

6 PAGE LINE CHANGE REASON FOR CHANGE
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23 Under penalties of perjury, I declare that I have read
24 the foregoing document and that the facts stated in it are
25 true.

Date ANNETTE BONGIORNO

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